

# Auditing Procedures Report

Issued under Public Act 2 of 1968, as amended .

|              |                          |                 |                 |             |                |          |          |
|--------------|--------------------------|-----------------|-----------------|-------------|----------------|----------|----------|
| Unit Name    | Saginaw Charter Township | County          | SAGINAW         | Type        | TOWNSHIP       | MuniCode | 73-1-200 |
| Opinion Date | August 26, 2008          | Audit Submitted | August 28, 2008 | Fiscal Year | March 31, 2008 |          |          |

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

**Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".**

|                                     |  |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | 1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?  |
| <input checked="" type="checkbox"/> | 2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?  |
| <input checked="" type="checkbox"/> | 3. Were the local unit's actual expenditures within the amounts authorized in the budget?  |
| <input checked="" type="checkbox"/> | 4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?   |
| <input checked="" type="checkbox"/> | 5. Did the local unit adopt a budget for all required funds?   |
| <input checked="" type="checkbox"/> | 6. Was a public hearing on the budget held in accordance with State statute?   |
| <input checked="" type="checkbox"/> | 7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?   |
| <input checked="" type="checkbox"/> | 8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?   |
| <input checked="" type="checkbox"/> | 9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?  |
| <input checked="" type="checkbox"/> | 10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)  |
| <input checked="" type="checkbox"/> | 11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.) |
| <input checked="" type="checkbox"/> | 12. Is the local unit free of repeated reported deficiencies from previous years?  |
| <input checked="" type="checkbox"/> | 13. Is the audit opinion unqualified?  |
|                                     | 14. If not, what type of opinion is it? <input type="text" value="NA"/>  |
| <input checked="" type="checkbox"/> | 15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?  |
| <input checked="" type="checkbox"/> | 16. Has the board or council approved all disbursements prior to payment as required by charter or statute?  |
| <input checked="" type="checkbox"/> | 17. To your knowledge, were the bank reconciliations that were reviewed performed timely?  |
| <input type="checkbox"/>            | 18. Are there reported deficiencies?   |
| <input type="checkbox"/>            | 19. If so, was it attached to the audit report?  |

|                            |                                      |
|----------------------------|--------------------------------------|
| General Fund Revenue:      | <input type="text" value="6557615"/> |
| General Fund Expenditure:  | <input type="text" value="6142680"/> |
| Major Fund Deficit Amount: | <input type="text" value="-"/>       |

|  |                                      |
|--|--------------------------------------|
| General Fund Balance:                                      | <input type="text" value="4753475"/> |
| Governmental Activities Long-Term Debt (see instructions): | <input type="text" value="1187743"/> |

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

|                    |                |                       |                  |                          |                |
|--------------------|----------------|-----------------------|------------------|--------------------------|----------------|
| CPA (First Name)   | Gerald         | Last Name             | Desloover        | Ten Digit License Number | 1101007126     |
| CPA Street Address | 5800 Gratiot   | City                  | Saginaw          | State                    | MI             |
|                    |                | Zip Code              | 48605            | Telephone                | (989) 799-9580 |
| CPA Firm Name      | Rehmann Robson | Unit's Street Address | 4980 Shattuck Rd | City                     | Saginaw        |
|                    |                |                       |                  | Zip Code                 | 48608          |



MICHIGAN

# Comprehensive Annual Financial Report

For the Year Ended  
March 31, 2008

**SAGINAW CHARTER TOWNSHIP  
MICHIGAN**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED MARCH 31, 2008**

Prepared by the Saginaw Charter Township Fiscal Services Division

Michele L. Gadd, Director, Fiscal Services Department

# SAGINAW CHARTER TOWNSHIP

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PRINCIPAL  
TOWNSHIP OFFICIALS

TOWNSHIP BOARD – MARCH 31, 2008

TIMOTHY J. BRAUN – SUPERVISOR

SHIRLEY M. WAZNY – CLERK

WILLIAM J. McQUILLAN - TREASURER

STEVEN G. GERHARDT

FLORENCE P. CONNOLLY

JAMES S. KELLY

AMY J. SEAVER

TOWNSHIP MANAGER

RONALD LEE

ASSISTANT TOWNSHIP MANAGER

ROB GROSE

DIRECTOR OF FISCAL SERVICES

MICHELE L. GADD

DIRECTOR OF ASSESSING

DAVID J. KERN

DIRECTOR OF COMMUNITY DEVELOPMENT

MATTHEW J. RENO

FIRE CHIEF

JIM I. PETERSON

POLICE CHIEF

DONALD F. PUSSEHL, JR.

DIRECTOR OF PUBLIC SERVICES

HERBERT L. GRUNWELL, III

TOWNSHIP ATTORNEY

MARK T. MAHLBERG



# Saginaw Charter Township

1980 Shattuck Rd. P.O. Box 6400, Saginaw, MI 48608-6400  
989.791-9800 989.791-9815 (fax)

August 26, 2008

Saginaw Charter Township Board  
Saginaw, Michigan

Dear Board Members:

The Comprehensive Annual Financial Report of Saginaw Charter Township, Michigan, for the fiscal year ending March 31, 2008, is submitted, herewith. This report was prepared by the Township's Fiscal Services Department with assistance from independent auditors, the Rehmann Group. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Township. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Township, as measured by the financial activity of its various funds; and that the disclosures necessary to enable the reader to gain the maximum understanding of the Township's financial activity have been included.

## **PROFILE OF THE GOVERNMENT:**

The management of the Township is overseen by an elected Township Board. Saginaw Charter Township is the second largest governmental unit in Saginaw County, Michigan, with a 2000 Census population of 39,657, and a mid-decade estimated population in excess of 40,000. Saginaw Township is a residential and retail community with two small light industrial areas. It serves the Tri-Cities area of Saginaw, Bay City, and Midland.

The Township provides many services to its residents including police, fire, sanitation, water, planning and zoning, indoor and outdoor recreation, refuse collection, library and general administrative services.

## **FACTORS AFFECTING FINANCIAL CONDITION:**

### **Local Economy:**

The Township continues to experience economic growth and development. While much of the focus in the past has been on the Bay Road corridor, the Township is experiencing growth in other areas of the community. The following is a summary of some recent developmental activity in the Township:



**Commercial:** During 2007, commercial growth continued in retail and personal services along the State Street and Bay Road corridors. Future projections for economic growth remain positive and optimistic as Saginaw Township continues to grow as a regional medical center, in addition to its current position as a regional shopping center.

**Residential:** The increase in housing construction over the past several years is spurring increased commercial expansion. As the Township continues to grow as a retail and medical center, we expect a growth in valuation and additional demand for services. While not as high as the 1990's, new housing starts in 2007-08 were again an active part of the Township's development. It is anticipated that housing starts will level off for 2008-2009 due to the effects of the rising cost of commodities such as fuel & energy costs. Additionally, the auto industry which plays a major factor in the region and state may also have an effect on new housing.

### **Major Initiatives:**

There has been growing interest toward enhancing the vitality and quality of life in Saginaw Township in order that the community remain viable in the future, as it has in the past. Our vision remains the same:

- *A planned community identified with pride and excellence in living, medical care, regional/local shopping and recreational activities;*
- *where the quality of life is desirable and safe;*
- *where government is unobtrusive and economical yet effective and efficient in the management of land, infrastructure, services and recreation; and*
- *which serves as a model for innovation and regional cooperation, welcomes diversity and focuses on the future.*

### **The Core Values:**

Beginning in 2005 a set of core community values was constructed. These core values form the nucleus by which all Township Departments carry out their work activities and programs:

- *Providing for a Safe Community,*
- *Promoting a Neat, Clean, Attractive Community with Beautiful Neighborhoods,*
- *Providing Quality of Life Opportunities,*
- *Maintaining a Professionally Well Run, Efficient Government....One that Provides High Quality Services to its Residents.*

Saginaw Township's activities are focused within the context of the above four core values. The underlying objective is to maintain the community as a quality living environment. Activities in 2007-2008 included such projects as:

- Continued update of the Master Plan,
- Water transmission system improvements, and utility planning,
- Continued repaving of subdivision roads under a cost sharing program,

- Preserving our neighborhoods & reinvesting in our business districts,
- Increased Code and Property Maintenance enforcement,
- Pedestrian pathways development,
- Created a Road Study Committee,
  1. Formation of a Steering Committee
  2. Established a five year capital improvement plan
  3. Prioritized projects
  4. Integrated with SCRC Long Range Plans
  5. Evaluated traffic calming projects
- Implementation of the plans for the
  1. Bay Road and Tittabawassee Road corridors
  2. State Street Planning
  3. Development of the Campus Business District Concept
- Support Public Safety Efforts...Being Preventative & Proactive
  1. Hired two additional police officers
  2. Continued Fire/Life Safety Training for our On-Call fire fighters, as well as public education in schools, daycare centers, and retirement homes

### **What Lies Ahead:**

What lies ahead may seem redundant to some, but meaningful to those bestowed with the responsibility of keeping Saginaw Township viable. In the future, one can expect to see:

- Continue water transmission system improvements,
- Update sewer utility planning, as required by the State,
- Continue construction of road improvements,
- Introduce traffic management initiatives,
- Planning for phase II of the Pedestrian Pathway,
- Strengthen Neighborhoods,
  1. Homeowner Recognition
  2. Neighborhood Associations
  3. Traffic Calming Program
- Continue revitalization of our commercial corridors.

**Financial Management:**

The Township Board is responsible for establishing and maintaining internal control designed to ensure that the assets of the Township are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

**Budgeting Control:**

The Township maintains budgetary control with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Township Board of Trustees. Activities of the General and Special Revenue Funds are included in the annual appropriation budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by activity in the General Fund and at the fund level for Special Revenue Funds. The Township also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end and are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the Township continues to meet its responsibility for sound financial management.

**Cash and Investments:**

During the year, idle cash is temporarily invested in obligations of the U.S. Government and in Certificates of Deposit ranging from 30 to 180 days to maturity, in short-term repurchase agreements with local banks, in daily interest savings accounts and in interest-bearing checking accounts.

**Pension Trust Fund Operations:**

These plans are managed through the Township Clerk's Office and the Township Treasurer's office in conjunction with several outside financial institutions and investment firms.

**Risk Management:**

Saginaw Charter Township is self insured for general liability, errors and omissions and property claims through the Michigan Municipal Risk Management Authority. The Township's Self-Insured Plan is certified by the State of Michigan on an annual basis to insure sufficiency of funds, and sufficiency of reinsurance coverage within the fund.

**OTHER INFORMATION:****Independent Audit:**

The Michigan Uniform Accounting and Budgeting Act requires an annual audit by independent certified public accountants. The accounting firm of Rehmann Robson was selected by the Saginaw Charter Township Board of Trustees to perform the Township's annual audit. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

**Accounting Systems and Reports:**

The Township's accounting records for traditional governmental operations; i.e., General Fund, Special Revenue Funds, and Capital Project Funds, are maintained on a modified accrual basis of accounting. As a result, the more significant revenues such as property taxes, intergovernmental revenues and investment earnings are recognized as earned and other revenues are generally recognized only when received. Expenditures are recorded when incurred and encumbrances placed when purchase orders are issued. Employees' accumulated unused annual leave is also recognized on the modified accrual basis.

Budgetary control is maintained by an annual allotment system. Allotments, or appropriation, balances are encumbered by the simultaneous issuance and recording of purchase orders. Purchase orders that exceed allotted balances are not released until additional appropriations or appropriate budgetary adjustments are made available.

Generally accepted accounting standards require that management provide a narrative introduction, overview, and analysis to accompany these basic financial statements in the form of a management's discussion and analysis (MD&A) letter. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Saginaw Charter Township's MD&A can be found immediately following the report of the independent auditors.

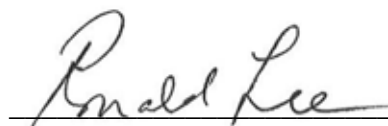
**Awards:**

It is with great pleasure I report that last year's 2007 Comprehensive Annual Financial Report, as approved by the Township Board, did again receive the Certificate of Achievement for Excellence in Financial Reporting as given by the Government Finance Officers Association (GFOA). The receipt of this award indicates that the Saginaw Charter Township has achieved the highest standards in government accounting and financial reporting as prescribed by the accounting and reporting profession. This Certificate has been inserted as part of the Introductory Section of this report.

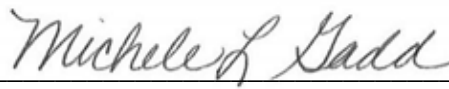
**Acknowledgements:**

Appreciation is extended to the Fiscal Services Department and various employees throughout the Township responsible for financial management and reporting. Their adherence to following the law, utilizing proper accounting methods and eliminating waste from processes has greatly improved the efficiency and accountability of the entire Township.

Respectfully submitted,



Ronald Lee, Township Manager

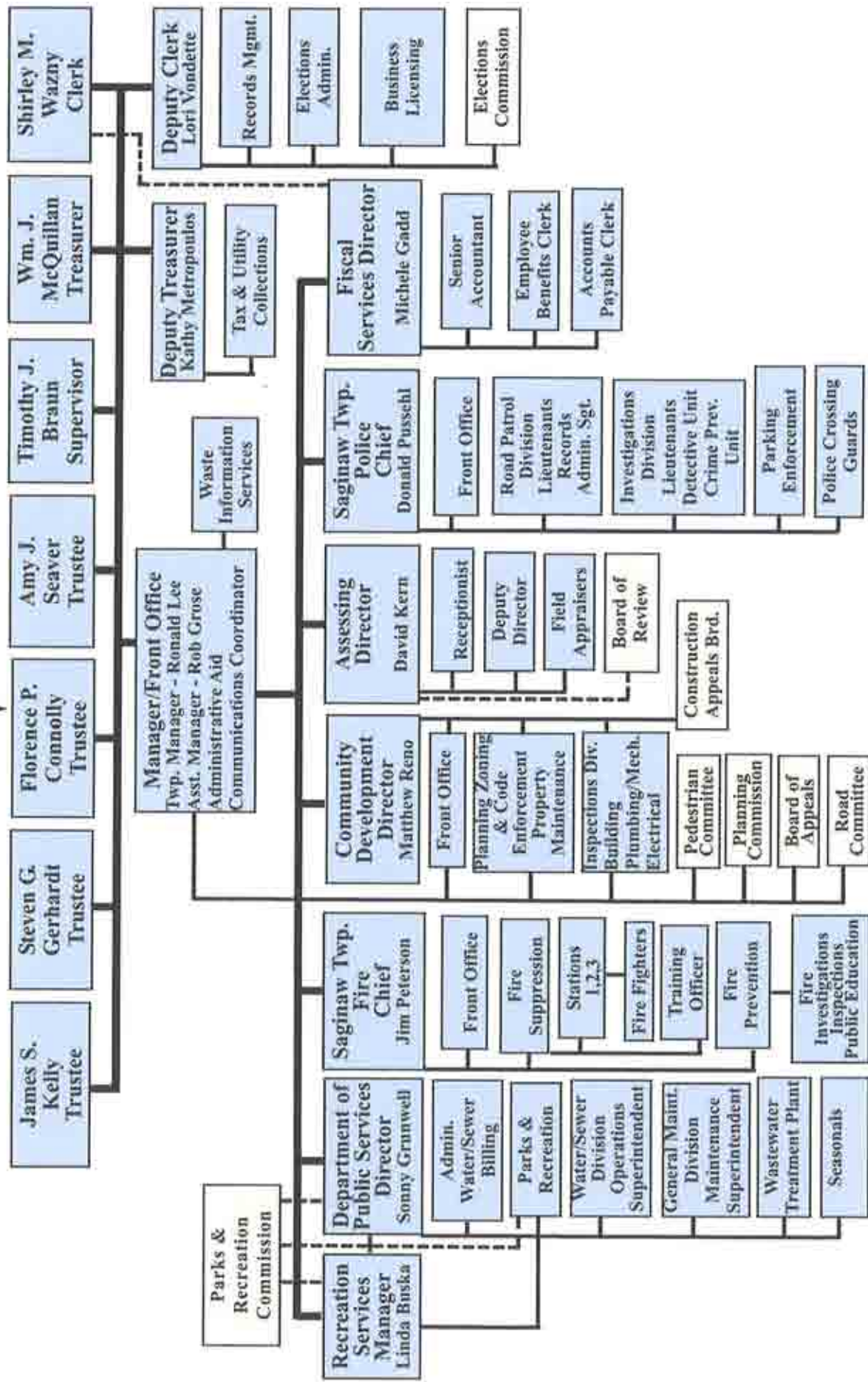


Michele L. Gadd, Director of Fiscal Services

# SAGINAW CHARTER TOWNSHIP ORGANIZATION CHART

## VOTERS OF SAGINAW CHARTER TOWNSHIP

### TOWNSHIP BOARD



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Saginaw Charter Township  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
March 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Charles S. Cox*

President

*Jeffrey R. Enen*

Executive Director

## **FINANCIAL SECTION**

This section is composed of the following:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Notes

Supplementary Information



**REHMANN ROBSON**

*Certified Public Accountants*

A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

## **INDEPENDENT AUDITORS' REPORT**

August 26, 2008

Members of the Township Board  
Saginaw Charter Township  
Saginaw, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of ***Saginaw Charter Township***, as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of ***Saginaw Charter Township***, as of March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons of the General, Fire Protection, Police, and Garbage and Rubbish Collection governmental funds for the year then ended in conformity with accounting principles general accepted in the United States of America.



The Management's Discussion and Analysis listed in the table of contents on pages 3-13 and the required supplementary information for the Retiree Health Trust Fund on page 58 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise ***Saginaw Charter Township's*** basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Lehmann Lohman". The signature is written in a cursive, flowing style with a large initial 'L'.

## Management's Discussion and Analysis

As management of *Saginaw Charter Township, Michigan*, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2008. We encourage readers to consider the information presented here.

### Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$70,085,110 (*net assets*). Of this amount, \$20,945,790 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$14,974,349, a decrease of \$509,224 in comparison with the prior year. More than 9.5 percent of this total amount, or \$14,309,630, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,101,484 or 66.8 percent of total general fund expenditures.
- The Township's total bonded debt decreased by \$525,988 during the current fiscal year; no new bonded debt was issued and \$525,988 of existing debt was retired.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected special assessments).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, public works, health and welfare, and recreation and cultural. The business-type activities of the Township include sanitary sewer and water operations.

The government-wide financial statements can be found on pages 14-16 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, fire protection, police, garbage and rubbish collection, and special assessment revolving funds, each of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 17-25 of this report.

**Proprietary funds.** The Township maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its water and sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate cost internally among the Township's various functions. The Township uses internal service funds to account for its self insurance operations for employees healthcare coverage and property and liability coverage. Because both of these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitary sewer and water operations, both of which are considered to be major funds of the Township. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for governmental funds.

The basic fiduciary fund financial statements can be found on pages 29-30 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-57 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the accompanying notes. Combining and individual fund statements and schedules can be found on pages 59-77 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Saginaw Charter Township, assets exceeded liabilities by \$70,085,110 at the close of the most recent fiscal year.

The largest portion of the Township's net assets (70 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Saginaw Charter Township's Net Assets

|   | Governmental<br>Activities |              | Business-type<br>Activities |              | Totals       |              |
|---|----------------------------|--------------|-----------------------------|--------------|--------------|--------------|
|   | 2007                       | 2008         | 2007                        | 2008         | 2007         | 2008         |
| Current and other assets                        | \$17,701,922               | \$17,171,595 | \$ 4,952,757                | \$ 5,861,599 | \$22,654,679 | \$23,033,194 |
| Capital assets                                  | 10,010,647                 | 10,462,873   | 43,184,677                  | 41,963,949   | 53,195,324   | 52,426,822   |
| Total assets                                    | 27,712,569                 | 27,634,468   | 48,137,434                  | 47,825,548   | 75,850,003   | 75,460,016   |
| Long-term liabilities outstanding               | 607,388                    | 562,131      | 3,335,300                   | 2,843,376    | 3,942,688    | 3,405,507    |
| Other liabilities                               | 961,424                    | 1,051,625    | 654,549                     | 917,774      | 1,615,973    | 1,969,399    |
| Total liabilities                               | 1,568,812                  | 1,613,756    | 3,989,849                   | 3,761,150    | 5,558,661    | 5,374,906    |
| Net assets                                      |                            |              |                             |              |              |              |
| Invested in capital assets, net of related debt | 10,010,647                 | 10,462,873   | 39,371,187                  | 38,676,447   | 49,381,834   | 49,139,320   |
| Unrestricted                                    | 16,133,110                 | 15,557,839   | 4,776,398                   | 5,387,951    | 20,909,508   | 20,945,790   |
| Total net assets                                | \$26,143,757               | \$26,020,712 | \$44,147,585                | \$44,064,398 | \$70,291,342 | \$70,085,110 |

At the end of the current fiscal year, the Township is able to report positive balances in both categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

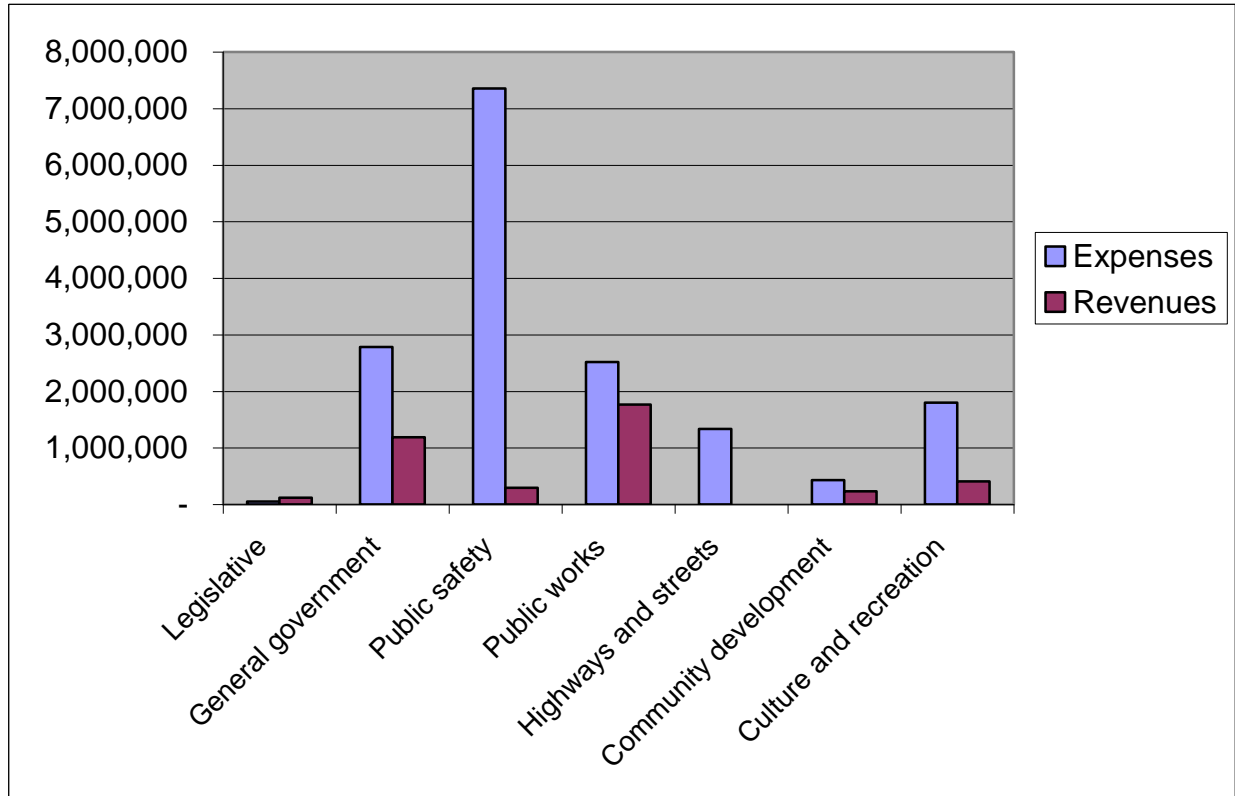
The Township's net assets decreased by \$206,232 during the current fiscal year. This reduction reflects the degree to which expenses exceeded revenues.

### Saginaw Charter Township's Changes in Net Assets

|  | Governmental<br>Activities |              | Business-type<br>Activities |              | Total        |              |
|--|----------------------------|--------------|-----------------------------|--------------|--------------|--------------|
|  | 2007                       | 2008         | 2007                        | 2008         | 2007         | 2008         |
| Revenues:  |                            |              |                             |              |              |              |
| Program revenue:   |                            |              |                             |              |              |              |
| Charges for services   | \$3,502,030                | \$3,730,642  | \$8,626,421                 | \$8,928,393  | \$12,128,451 | \$12,659,035 |
| Operating grants and contributions                           | 340,880                    | 227,296      | -                           | -            | 340,880      | 227,296      |
| Capital grants and contributions                             | -                          | 55,000       | 1,131,471                   | 124,609      | 1,131,471    | 179,609      |
| General revenue:   |                            |              |                             |              |              |              |
| Property taxes   | 7,432,595                  | 8,330,192    | -                           | -            | 7,432,595    | 8,330,192    |
| Grants and contributions not restricted to specific programs | 2,951,812                  | 2,974,433    | -                           | -            | 2,951,812    | 2,974,433    |
| Unrestricted investment earnings                             | 653,461                    | 600,278      | 108,754                     | 169,875      | 762,215      | 770,153      |
| Gain on sale of capital assets                               | 67,500                     | -            | 8,850                       | 9,439        | 76,350       | 9,439        |
| Miscellaneous  | 57,933                     | 35,971       | 64,809                      | 9,004        | 122,742      | 44,975       |
| Total revenues   | 15,006,211                 | 15,953,812   | 9,940,305                   | 9,241,320    | 24,946,516   | 25,195,132   |
| Expenses:  |                            |              |                             |              |              |              |
| Legislative  | 33,269                     | 49,169       | -                           | -            | 33,269       | 49,169       |
| General government   | 2,627,751                  | 2,785,858    | -                           | -            | 2,627,751    | 2,785,858    |
| Public safety  | 6,528,417                  | 7,352,925    | -                           | -            | 6,528,417    | 7,352,925    |
| Public works   | 1,696,950                  | 2,517,508    | -                           | -            | 1,696,950    | 2,517,508    |
| Highways and streets   | 1,077,331                  | 1,335,667    | -                           | -            | 1,077,331    | 1,335,667    |
| Community development  | 414,484                    | 429,561      | -                           | -            | 414,484      | 429,561      |
| Recreation and culture                                       | 1,894,384                  | 1,799,826    | -                           | -            | 1,894,384    | 1,799,826    |
| Sewer  | -                          | -            | 4,872,862                   | 4,960,853    | 4,872,862    | 4,960,853    |
| Water  | -                          | -            | 3,851,112                   | 4,169,997    | 3,851,112    | 4,169,997    |
| Total expenses   | 14,272,586                 | 16,270,514   | 8,723,974                   | 9,130,850    | 22,996,560   | 25,401,364   |
| Increase in net assets before transfers                      | 733,625                    | (316,702)    | 1,216,331                   | 110,470      | 1,949,956    | (206,232)    |
| Transfers  | 183,266                    | 193,657      | (183,266)                   | (193,657)    | -            | -            |
| Change in net assets   | 916,891                    | (123,045)    | 1,033,065                   | (83,187)     | 1,949,956    | (206,232)    |
| Net assets, beginning of year, as restated                   | 25,226,866                 | 26,143,757   | 43,114,520                  | 44,147,585   | 68,341,386   | 70,291,342   |
| Net assets, end of year                                      | \$26,143,757               | \$26,020,712 | \$44,147,585                | \$44,064,398 | \$70,291,342 | \$70,085,110 |

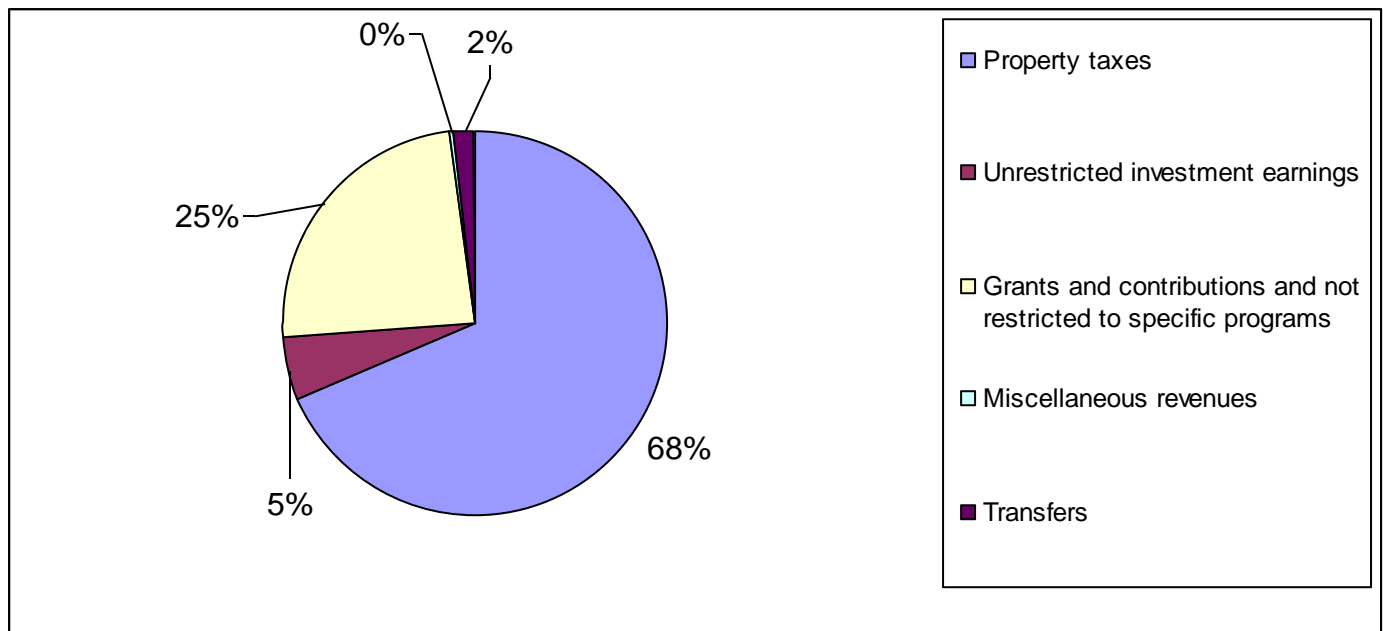
**Governmental activities.** Governmental activities decreased the Township's net assets by \$123,045 resulting in about 0.47 percent reduction in the net assets of the Township. This decrease is a result of Township revenues and expenses remaining relatively constant, with expenses out pacing revenues. In comparison with the prior year, revenues have increased almost \$1 million, while expenses have increased \$2 million. The largest increase is in the public works area, where expenses increased almost 50% with the completion of two major road resurfacing projects.

### Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities

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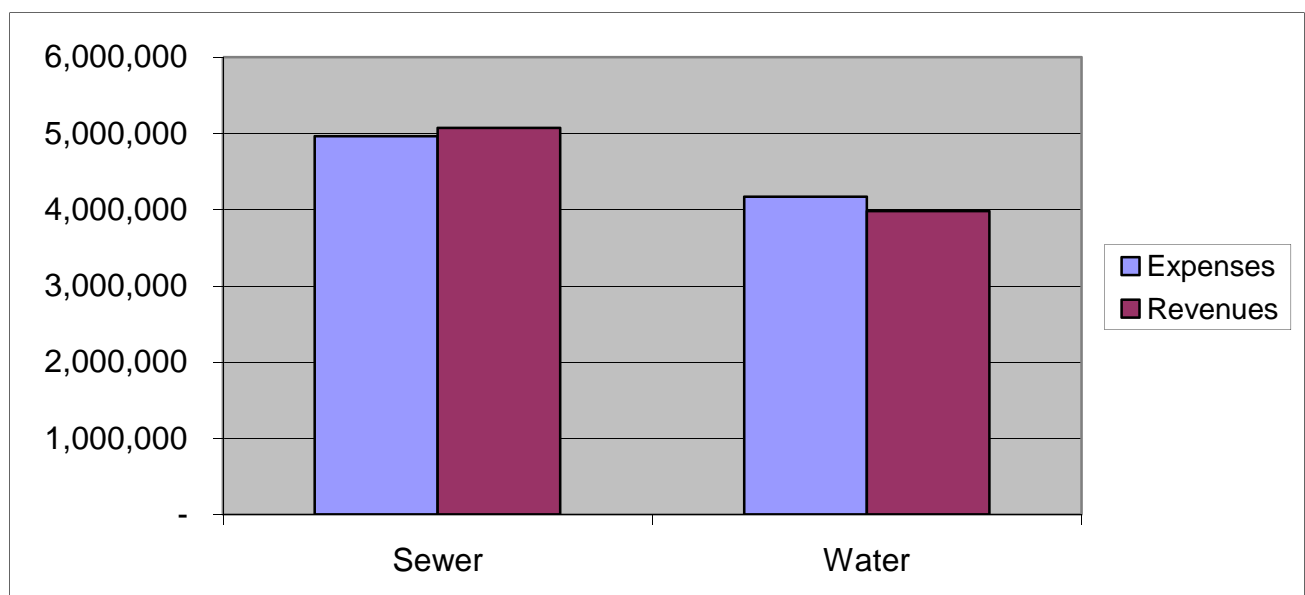
- **Business-type activities.** Business-type activities decreased the Township's net assets by \$83,187. Key elements of this decrease are as follows:

- ✓ Cost of goods sold increased due to an increase in water costs from the supplier.

In comparison with the prior year, net income decreased over \$1 million. This was due to a decrease in capital grants and contributions related to a decline in new commercial and residential water line and sewer line construction projects.

## Expenses and Program Revenues - Business-type Activities

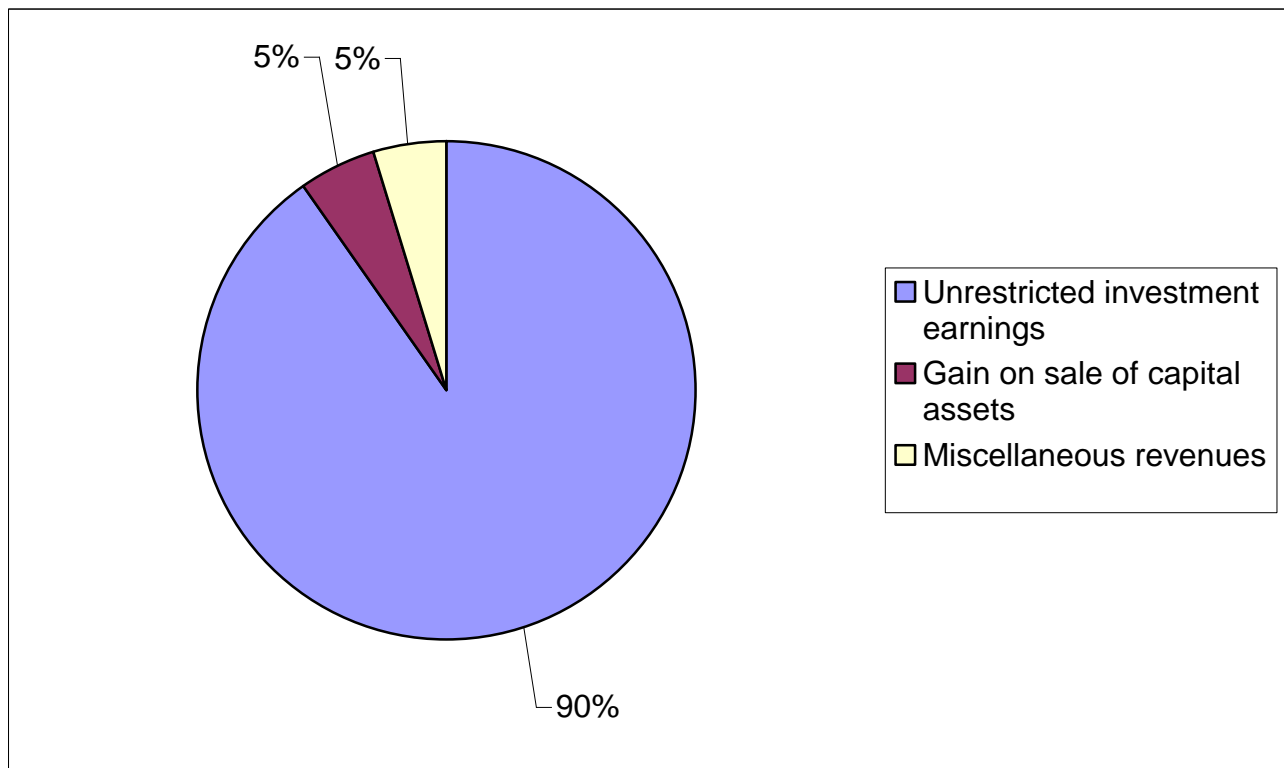
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## Revenues by Source - Business-type Activities

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### Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$14,974,349, a decrease of \$509,224 in comparison with the prior year. Approximately 95.6 percent of this total amount (\$14,309,630) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for other restricted purposes (\$132,040), or 2) for long-term advances (\$532,679).

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$4,101,484, and total fund balance was \$4,753,475. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 66.8 percent of total general fund expenditures.

The fund balance of the Township's general fund decreased by \$137,634 during the current fiscal year. The decrease is attributable to the following factors:

- ✓ Completion of a street scaping project along the Bay Road corridor.
- ✓ General Fund support to the Community Development fund increased; permit fees were down \$78,753 from the previous year.

The Fire Protection fund has a total fund balance of \$1,408,973, which increased by \$92,920 during the year. The increase is primarily attributable to revenues remaining stable and only a slight increase in overall operating expenses of 0.86% for the year.

The Police fund has a total fund balance of \$5,743,699, which decreased by \$203,160 during the year. The decrease is primarily attributable to only a slight increase in the property tax levy and transfer in from the General Fund for police fund operations, coupled with an increase in expenses due to the hiring of five additional police officers. Expenses increased 11.2% while revenues increased 2.6%.

The Garbage and Rubbish Collection fund has a total fund balance of \$1,690,497, which increased by \$134,305 during the year. The increase is attributable to stable contractual service costs which are further reduced by the sale of recycled materials collected through the recycling program.

***Proprietary funds.*** The Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net assets of the Water and Sewer funds at the end of the year amounted to \$21,024,643 and \$22,976,411, respectively. The Sewer fund had an increase in net assets for the year of \$172,578. A rate increase was implemented in the previous year in anticipation of upgrades to the treatment plant. The upgrades were started at the end of the 2008 fiscal year and will continue in 2008/2009. The Water fund had a decrease in net assets for the year of \$179,412. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Township's business-type activities.

### **General Fund Budgetary Highlights**

Differences between the original and final amended budgets for expenditures were relatively minor and the adjustments were made as a part of the Township's budget procedures to address changes in activity during the year. Key elements for the changes between the final budget and actual results include:

- ✓ Increase in franchise fees.
- ✓ Recreation fees and rental of the field house increased.
- ✓ Increase in Circuit Court fines.
- ✓ Increase in interest earnings.

Budget to actual comparisons for the Township's general fund were favorable.

## Capital Asset and Debt Administration

**Capital assets.** The Township's investment in capital assets for its governmental and business-type activities as of March 31, 2008, amounted to \$52,426,822 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements and machinery and equipment.

Major capital asset events during the fiscal year included the following:

- ✓ Completion of Phase I of a multi-purpose pathway.
- ✓ Renovations to Fire Station 1 and the addition of a fire training facility.
- ✓ Waterline replacement.

### Saginaw Charter Township's Capital Assets (net of depreciation)

|                          | Governmental<br>Activities | Business-Type<br>Activities | Total               |
|--------------------------|----------------------------|-----------------------------|---------------------|
| Land                     | \$ 668,553                 | \$ 261,573                  | \$ 930,126          |
| Construction in progress | -                          | 503,978                     | 503,978             |
| Land improvements        | 2,198,972                  | -                           | 2,198,972           |
| Buildings and systems    | 5,999,459                  | 40,788,640                  | 46,788,099          |
| Equipment                | 496,645                    | 227,440                     | 724,085             |
| Vehicles                 | <u>1,099,244</u>           | <u>182,318</u>              | <u>1,281,562</u>    |
| Total net assets         | <u>\$ 10,462,873</u>       | <u>\$ 41,963,949</u>        | <u>\$52,426,822</u> |

Additional information on the Township's capital assets can be found in note III C on pages 42-44 of this report.

**Long-term debt.** At the end of the current fiscal year, the Township had total debt outstanding of \$4,598,174. Of this amount, \$3,287,502 represents bonds secured solely by specified revenue sources (i.e., revenue bonds), \$1,010,672 represents accrued compensated absences, and \$300,000 for the postclosure landfill liability.

### Saginaw Charter Township's Outstanding Debt General Obligation and Revenue Bonds

|                                 | Governmental<br>Activities | Business-Type<br>Activities | Total               |
|---------------------------------|----------------------------|-----------------------------|---------------------|
| Contracts payable               | \$ -                       | \$ 3,287,502                | \$ 3,287,502        |
| Accrued compensated<br>absences | 887,743                    | 122,929                     | 1,010,672           |
| Landfill liability              | <u>300,000</u>             | <u>-</u>                    | <u>300,000</u>      |
| Total net debt                  | <u>\$ 1,187,743</u>        | <u>\$ 3,410,431</u>         | <u>\$ 4,598,174</u> |

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the Township is \$150,861,080, which is significantly in excess of the Township's outstanding general obligation debt.

Additional information on the Township's long-term debt can be found in note III E on pages 46-48 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The following factors were considered in preparing the Township's budget for the 2008-09 fiscal year:

- The March 2008 unemployment rate for the Saginaw County metropolitan area (the Township is in the Saginaw area) was 8.5 percent, which is an increase from a rate of 7.7 percent a year ago. The Township rate was 4.4 percent. The State average was 7.9 percent and the National rate was 5.2 percent.
- The Township is comprised principally of residential areas with several key commerce corridors. There is a stable business base.
- Inflationary trends in the region compare favorably to national indices.

### **Requests for Information**

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township Fiscal Services Department, 4980 Shattuck Rd, Saginaw, Michigan 48603.

## **Basic Financial Statements**

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**GOVERNMENT-WIDE**  
**FINANCIAL STATEMENTS**

**SAGINAW CHARTER TOWNSHIP**  
**STATEMENT OF NET ASSETS**  
**MARCH 31, 2008**

|   | <b>Primary Government</b>      |                                 |                      | <b>Component Unit</b> |
|---|--------------------------------|---------------------------------|----------------------|-----------------------|
|   | <b>Governmental Activities</b> | <b>Business-type Activities</b> | <b>Total</b>         |                       |
| <b>Assets</b>                                   |                                |                                 |                      |                       |
| Cash and cash equivalents                       | \$ 10,161,220                  | \$ 3,905,596                    | \$ 14,066,816        | \$ 2,725              |
| Investments                                     | 4,342,106                      | 426,897                         | 4,769,003            | -                     |
| Accounts receivable                             | 2,003,867                      | 1,762,968                       | 3,766,835            | -                     |
| Internal balances                               | 534,479                        | (534,479)                       | -                    | -                     |
| Prepaid items and other assets                  | 66,610                         | 393                             | 67,003               | -                     |
| Inventory                                       | 63,313                         | 300,224                         | 363,537              | -                     |
| Non-depreciable capital assets                  | 668,553                        | 765,551                         | 1,434,104            | -                     |
| Capital assets, net of depreciation             | 9,794,320                      | 41,198,398                      | 50,992,718           | -                     |
| <b>Total assets</b>                             | <b>27,634,468</b>              | <b>47,825,548</b>               | <b>75,460,016</b>    | <b>2,725</b>          |
| <b>Liabilities</b>                              |                                |                                 |                      |                       |
| Accounts payable                                | 368,452                        | 350,719                         | 719,171              | -                     |
| Accrued liabilities                             | 47,578                         | -                               | 47,578               | -                     |
| Unearned revenue                                | 9,983                          | -                               | 9,983                | -                     |
| Noncurrent liabilities:                         |                                |                                 |                      |                       |
| Due within one year                             | 625,612                        | 567,055                         | 1,192,667            | -                     |
| Due in more than one year                       | 562,131                        | 2,843,376                       | 3,405,507            | -                     |
| <b>Total liabilities</b>                        | <b>1,613,756</b>               | <b>3,761,150</b>                | <b>5,374,906</b>     | <b>-</b>              |
| <b>Net Assets</b>                               |                                |                                 |                      |                       |
| Invested in capital assets, net of related debt | 10,462,873                     | 38,676,447                      | 49,139,320           | -                     |
| Restricted for:                                 |                                |                                 |                      |                       |
| Economic development                            | -                              | -                               | -                    | 2,725                 |
| Unrestricted                                    | 15,557,839                     | 5,387,951                       | 20,945,790           | -                     |
| <b>Total net assets</b>                         | <b>\$ 26,020,712</b>           | <b>\$ 44,064,398</b>            | <b>\$ 70,085,110</b> | <b>\$ 2,725</b>       |

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2008**

| Functions / Programs             | Expenses             | Program Revenues        |  |  | Net (Expense)<br>Revenue |
|----------------------------------|----------------------|-------------------------|--|--|--------------------------|
|                                  |                      | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |                          |
| Primary government               |                      |                         |  |  |                          |
| Governmental activities:         |                      |                         |  |  |                          |
| Legislative                      | \$ 49,169            | \$ 119,558              | \$ -                                     | \$ -                                   | \$ 70,389                |
| General government               | 2,785,858            | 1,190,464               | -  | -                                      | (1,595,394)              |
| Public safety                    | 7,352,925            | 68,580                  | 227,296                                  | -                                      | (7,057,049)              |
| Public works                     | 2,517,508            | 1,765,763               | -  | -                                      | (751,745)                |
| Highways and streets             | 1,335,667            | -                       | -  | -                                      | (1,335,667)              |
| Community development            | 429,561              | 231,714                 | -  | -                                      | (197,847)                |
| Recreation and culture           | 1,799,826            | 354,563                 | -  | 55,000                                 | (1,390,263)              |
| Total governmental activities    | <u>16,270,514</u>    | <u>3,730,642</u>        | <u>227,296</u>                           | <u>55,000</u>                          | <u>(12,257,576)</u>      |
| Business-type activities:        |                      |                         |  |  |                          |
| Sewer                            | 4,960,853            | 5,073,123               | -  | -                                      | 112,270                  |
| Water                            | 4,169,997            | 3,855,270               | -  | 124,609                                | (190,118)                |
| Total business-type activities   | <u>9,130,850</u>     | <u>8,928,393</u>        | <u>-</u>                                 | <u>124,609</u>                         | <u>(77,848)</u>          |
| Total primary government         | <u>\$ 25,401,364</u> | <u>\$ 12,659,035</u>    | <u>\$ 227,296</u>                        | <u>\$ 179,609</u>                      | <u>\$ (12,335,424)</u>   |
| Component unit                   |                      |                         |  |  |                          |
| Economic Development Corporation | <u>\$ -</u>          | <u>\$ -</u>             | <u>\$ -</u>                              | <u>\$ -</u>                            | <u>\$ -</u>              |

continued...



**SAGINAW CHARTER TOWNSHIP  
STATEMENT OF ACTIVITIES (CONCLUDED)  
FOR THE YEAR ENDED MARCH 31, 2008**

| <b>Functions/Programs</b>                                    | <b>Primary Government</b>      |                                 |                 | <b>Component Unit</b> |
|--|--------------------------------|---------------------------------|-----------------|-----------------------|
|  | <b>Governmental Activities</b> | <b>Business-type Activities</b> | <b>Total</b>    |                       |
| Changes in net assets  |                                |                                 |                 |                       |
| Net (expense) revenue  | \$ (12,257,576)                | \$ (77,848)                     | \$ (12,335,424) | \$ -                  |
| General revenues:  |                                |                                 |                 |                       |
| Property taxes   | 8,330,192                      | -                               | 8,330,192       | -                     |
| Grants and contributions not restricted to specific programs | 2,974,433                      | -                               | 2,974,433       | -                     |
| Unrestricted investment earnings                             | 600,278                        | 169,875                         | 770,153         | -                     |
| Gain on sale of capital assets                               | -                              | 9,439                           | 9,439           | -                     |
| Miscellaneous revenues                                       | 35,971                         | 9,004                           | 44,975          | -                     |
| Transfers - internal activities                              | 193,657                        | (193,657)                       | -               | -                     |
| Total general revenues and transfers                         | 12,134,531                     | (5,339)                         | 12,129,192      | -                     |
| Change in net assets   | (123,045)                      | (83,187)                        | (206,232)       | -                     |
| Net assets, beginning of year                                | 26,143,757                     | 44,147,585                      | 70,291,342      | 2,725                 |
| Net assets, end of year                                      | \$ 26,020,712                  | \$ 44,064,398                   | \$ 70,085,110   | \$ 2,725              |

The accompanying notes are an integral part of these financial statements.

## **FUND FINANCIAL STATEMENTS**

**SAGINAW CHARTER TOWNSHIP  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2008**

|  | <div> <div>General</div> <div>Fire Protection</div> <div>Police</div> </div> |                     |                     |
|--|--|---------------------|---------------------|
| <u>Assets</u>                                      |  |                     |                     |
| Cash and cash equivalents                          | \$ 2,509,386   | \$ 938,517          | \$ 3,857,805        |
| Investments  | 982,722  | 385,939             | 1,508,672           |
| Receivables:                                       |  |                     |                     |
| Current and delinquent property taxes              | 157,659  | 87,742              | 332,211             |
| Special assessments                                | 123,103  | -                   | -                   |
| Special assessments receivable - delinquent        | -  | -                   | -                   |
| Special assessments receivable - other             | -  | -                   | -                   |
| Accounts, (net of allowance for doubtful accounts) | 42,198   | -                   | 47,126              |
| Advance to Soccer Association                      | 39,475   | -                   | -                   |
| Due from other funds                               | 205,599  | -                   | -                   |
| Advance to other funds                             | 400,000  | -                   | -                   |
| Due from other governmental units                  | 443,438  | -                   | -                   |
| Inventory  | 63,313   | -                   | -                   |
| Prepaid expenditures                               | 16,524   | 1,615               | 1,345               |
| <u>Total Assets</u>                                | <u>\$ 4,983,417</u>  | <u>\$ 1,413,813</u> | <u>\$ 5,747,159</u> |

The accompanying notes are an integral part of these financial statements.

| Garbage and<br>Rubbish<br>Collection | Special<br>Assessment<br>Revolving Fund | Other<br>Governmental<br>Funds | Total         |
|--------------------------------------|---|--------------------------------|---------------|
| \$ 1,186,405                         | \$ 688,317                              | \$ 478,974                     | \$ 9,659,404  |
| 456,110                              | -                                       | 172,510                        | 3,505,953     |
| 85,710                               | -                                       | 24,714                         | 688,036       |
| -                                    | 190,129                                 | -                              | 313,232       |
| -                                    | 13,437                                  | -                              | 13,437        |
| -                                    | 272,650                                 | -                              | 272,650       |
| -                                    | -                                       | -                              | 89,324        |
| -                                    | -                                       | -                              | 39,475        |
| -                                    | -                                       | -                              | 205,599       |
| -                                    | -                                       | -                              | 400,000       |
| 144,100                              | -                                       | -                              | 587,538       |
| -                                    | -                                       | -                              | 63,313        |
| -                                    | 7,227                                   | 2,541                          | 29,252        |
| \$ 1,872,325                         | \$ 1,171,760                            | \$ 678,739                     | \$ 15,867,213 |

Continued

**SAGINAW CHARTER TOWNSHIP  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2008**

|  | General             | Fire<br>Protection  | Police              |
|--|---------------------|---------------------|---------------------|
| <hr/>  |                     |                     |                     |
| <u>Liabilities and Fund Balance</u>            |                     |                     |                     |
| Liabilities                                    |                     |                     |                     |
| Accounts payable                               | \$ 51,385           | \$ 4,840            | \$ 3,460            |
| Accrued liabilities                            | 47,578              | -                   | -                   |
| Deposits payable                               | 100                 | -                   | -                   |
| Due to other funds                             | 7,776               | -                   | -                   |
| Deferred revenue                               | 123,103             | -                   | -                   |
|  | <hr/>               |                     |                     |
| Total Liabilities                              | 229,942             | 4,840               | 3,460               |
|  | <hr/>               |                     |                     |
| Fund Balances:                                 |                     |                     |                     |
| Reserved for:                                  |                     |                     |                     |
| Inventory                                      | 63,313              | -                   | -                   |
| Prepaid expenditures                           | 16,524              | 1,615               | 1,345               |
| Advance to Soccer Association                  | 39,475              | -                   | -                   |
| Long-term advances                             | 400,000             | -                   | -                   |
| Center Courts                                  | 132,679             | -                   | -                   |
| Unreserved                                     |                     |                     |                     |
| Undesignated - Major funds                     | 4,101,484           | 1,407,358           | 5,742,354           |
| Undesignated - Nonmajor special revenue funds  | -                   | -                   | -                   |
| Undesignated - Nonmajor capital projects funds | -                   | -                   | -                   |
|  | <hr/>               |                     |                     |
| Total Fund Balances                            | 4,753,475           | 1,408,973           | 5,743,699           |
|  | <hr/>               |                     |                     |
| <u>Total Liabilities and Fund Balances</u>     | <u>\$ 4,983,417</u> | <u>\$ 1,413,813</u> | <u>\$ 5,747,159</u> |
|  | <hr/>               |                     |                     |

The accompanying notes are an integral part of these financial statements.

| Garbage and<br>Rubbish<br>Collection | Special<br>Assessment<br>Revolving Fund | Other<br>Governmental<br>Funds | Total         |
|--------------------------------------|---|--------------------------------|---------------|
| \$ 181,828                           | \$ -                                    | \$ 30                          | \$ 241,543    |
| -                                    | -                                       | -                              | 47,578        |
| -                                    | -                                       | -                              | 100           |
| -                                    | -                                       | -                              | 7,776         |
| -                                    | 462,781                                 | 9,983                          | 595,867       |
| 181,828                              | 462,781                                 | 10,013                         | 892,864       |
| -                                    | -                                       | -                              | 63,313        |
| -                                    | 7,227                                   | 2,541                          | 29,252        |
| -                                    | -                                       | -                              | 39,475        |
| -                                    | -                                       | -                              | 400,000       |
| -                                    | -                                       | -                              | 132,679       |
| 1,690,497                            | -                                       | -                              | 12,941,693    |
| -                                    | -                                       | 557,277                        | 557,277       |
| -                                    | 701,752                                 | 108,908                        | 810,660       |
| 1,690,497                            | 708,979                                 | 668,726                        | 14,974,349    |
| \$ 1,872,325                         | \$ 1,171,760                            | \$ 678,739                     | \$ 15,867,213 |

**SAGINAW CHARTER TOWNSHIP  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
MARCH 31, 2008**

---

|  |               |
|--|---------------|
| Fund balances - total governmental funds | \$ 14,974,349 |
|--|---------------|

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.

|                                    |             |
|------------------------------------|-------------|
| Add: capital assets                | 19,998,481  |
| Subtract: accumulated depreciation | (9,535,608) |

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the governmental funds, and thus are not included in fund balance.

|                                   |         |
|-----------------------------------|---------|
| Add: deferred special assessments | 585,884 |
|-----------------------------------|---------|

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.

|  |           |
|--|-----------|
| Add: net assets of governmental activities accounted for in internal service funds | 1,185,349 |
|--|-----------|

Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

|                                 |           |
|---------------------------------|-----------|
| Subtract: compensated absences  | (887,743) |
| Subtract: long-term liabilities | (300,000) |

|                                       |                      |
|---------------------------------------|----------------------|
| Net assets of governmental activities | <u>\$ 26,020,712</u> |
|---------------------------------------|----------------------|

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2008**

|                                      | General      | Fire<br>Protection | Police       |
|--------------------------------------|--------------|--------------------|--------------|
| Revenues                             |              |                    |              |
| Property taxes                       | \$ 1,723,314 | \$ 1,497,244       | \$ 4,045,137 |
| Licenses and permits                 | 517,545      | -                  | 23,868       |
| Intergovernmental                    | 2,959,888    | -                  | 133,638      |
| Charges for services                 | 312,037      | 46                 | 13,198       |
| Fines and forfeits                   | 163,759      | -                  | -            |
| Special assessments                  | 414,534      | -                  | -            |
| Interest and rent                    | 227,481      | 29,465             | 161,139      |
| Other revenue                        | 239,057      | 3,012              | 130,556      |
| Total Revenues                       | 6,557,615    | 1,529,767          | 4,507,536    |
| Expenditures                         |              |                    |              |
| Current:                             |              |                    |              |
| General government                   | 1,608,170    | -                  | -            |
| Public safety                        | 357,981      | 1,364,245          | 5,325,986    |
| Highway and streets                  | 1,278,118    | -                  | -            |
| Public works                         | 70,350       | -                  | -            |
| Community development                | -            | -                  | -            |
| Recreation and cultural              | 1,784,461    | -                  | -            |
| Other                                | 1,043,600    | -                  | -            |
| Total Expenditures                   | 6,142,680    | 1,364,245          | 5,325,986    |
| Revenues Over (Under) Expenditures   | 414,935      | 165,522            | (818,450)    |
| Other Financing Sources (Uses)       |              |                    |              |
| Transfers in                         | 689,196      | -                  | 1,001,400    |
| Transfers (out)                      | (1,241,765)  | (72,602)           | (386,110)    |
| Total Other Financing Sources (Uses) | (552,569)    | (72,602)           | 615,290      |
| Net Change in Fund Balances          | (137,634)    | 92,920             | (203,160)    |
| Fund Balances, Beginning of Year     | 4,891,109    | 1,316,053          | 5,946,859    |
| Fund Balances, End of Year           | \$ 4,753,475 | \$ 1,408,973       | \$ 5,743,699 |

The accompanying notes are an integral part of these financial statements.



| Garbage and<br>Rubbish<br>Collection | Special<br>Assessment<br>Revolving Fund | Other<br>Governmental<br>Funds | Total         |
|--------------------------------------|---|--------------------------------|---------------|
| \$ -                                 | \$ 391,060                              | \$ 422,494                     | \$ 8,079,249  |
| -                                    |   | 231,544                        | 772,957       |
| -                                    |   | 58,816                         | 3,152,342     |
| 1,575,489                            |   | 189,608                        | 2,090,378     |
| -                                    |   | -                              | 163,759       |
| -                                    |   | -                              | 414,534       |
| 39,736                               | 43,501                                  | 21,831                         | 523,153       |
| 2,303                                | 133                                     | 4,120                          | 379,181       |
| 1,617,528                            | 434,694                                 | 928,413                        | 15,575,553    |
| -                                    |   | -                              | 1,608,170     |
| -                                    |   | 508,489                        | 7,556,701     |
| -                                    |   | -                              | 1,278,118     |
| 1,483,223                            | 949,414                                 | -                              | 2,502,987     |
| -                                    |   | 429,561                        | 429,561       |
| -                                    |   | 74,836                         | 1,859,297     |
| -                                    |   | -                              | 1,043,600     |
| 1,483,223                            | 949,414                                 | 1,012,886                      | 16,278,434    |
| 134,305                              | (514,720)                               | (84,473)                       | (702,881)     |
| -                                    | 233,896                                 | 240,365                        | 2,164,857     |
| -                                    | -                                       | (270,723)                      | (1,971,200)   |
| -                                    | 233,896                                 | (30,358)                       | 193,657       |
| 134,305                              | (280,824)                               | (114,831)                      | (509,224)     |
| 1,556,192                            | 989,803                                 | 783,557                        | 15,483,573    |
| \$ 1,690,497                         | \$ 708,979                              | \$ 668,726                     | \$ 14,974,349 |

**SAGINAW CHARTER TOWNSHIP  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2008**

---

|  |              |
|--|--------------|
| Net change in fund balances - total governmental funds | \$ (509,224) |
|--|--------------|

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation

|  |           |
|--|-----------|
| Add: capital outlay                          | 1,241,517 |
| Subtract: loss on disposal of capital assets | (9,495)   |
| Subtract: depreciation expense               | (779,796) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

|   |         |
|---|---------|
| Add: change in deferred special assessments | 300,774 |
|---|---------|

The reduction of the Township's long-term liability for environmental remediation did not provide current financial resources, and was consequently not reported in the funds.

|  |        |
|--|--------|
| Add: decrease of long-term liability for environmental remediation | 50,000 |
|--|--------|

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

|   |          |
|---|----------|
| Subtract: increase in the accrual of compensated absences | (32,599) |
|---|----------|

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

|  |        |
|--|--------|
| Add: interest revenue from governmental internal service funds | 77,485 |
|--|--------|

|  |           |
|--|-----------|
| Subtract net operating loss from governmental activities accounted for in internal service funds | (461,707) |
|--|-----------|

|   |                     |
|---|---------------------|
| Change in net assets of governmental activities | \$ <u>(123,045)</u> |
|---|---------------------|

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED MARCH 31, 2008**

|                                      | <u>Original<br/>Budget</u> | <u>Amended<br/>Budget</u> | <u>Actual</u>       | <u>Over<br/>(Under)<br/>Budget</u> |
|--------------------------------------|----------------------------|---------------------------|---------------------|------------------------------------|
| Revenues                             |                            |                           |                     |                                    |
| Property taxes                       | \$ 1,729,897               | \$ 1,729,897              | \$ 1,723,314        | \$ (6,583)                         |
| Licenses and permits                 | 469,000                    | 469,000                   | 517,545             | 48,545                             |
| Intergovernmental - State            | 2,950,000                  | 2,950,000                 | 2,959,888           | 9,888                              |
| Charges for services                 | 268,550                    | 295,550                   | 312,037             | 16,487                             |
| Fines and forfeits                   | 113,000                    | 128,000                   | 163,759             | 35,759                             |
| Special assessments                  | 358,000                    | 379,000                   | 414,534             | 35,534                             |
| Interest and rent                    | 130,000                    | 151,000                   | 227,481             | 76,481                             |
| Other                                | 141,270                    | 212,815                   | 239,057             | 26,242                             |
| Total Revenues                       | <u>6,159,717</u>           | <u>6,315,262</u>          | <u>6,557,615</u>    | <u>242,353</u>                     |
| Expenditures                         |                            |                           |                     |                                    |
| Current:                             |                            |                           |                     |                                    |
| General government                   | 1,510,459                  | 1,627,025                 | 1,608,170           | (18,855)                           |
| Public safety                        | 389,367                    | 371,273                   | 357,981             | (13,292)                           |
| Highway and Streets                  | 1,088,470                  | 1,307,764                 | 1,278,118           | (29,646)                           |
| Public works                         | 37,000                     | 70,350                    | 70,350              | -                                  |
| Recreation and cultural              | 1,817,189                  | 1,812,692                 | 1,784,461           | (28,231)                           |
| Other                                | 1,146,579                  | 1,055,458                 | 1,043,600           | (11,858)                           |
| Total Expenditures                   | <u>5,989,064</u>           | <u>6,244,562</u>          | <u>6,142,680</u>    | <u>(101,882)</u>                   |
| Revenues Over Expenditures           | <u>170,653</u>             | <u>70,700</u>             | <u>414,935</u>      | <u>344,235</u>                     |
| Other Financing Sources (Uses)       |                            |                           |                     |                                    |
| Transfers in                         | 688,325                    | 688,325                   | 689,196             | 871                                |
| Transfers (out)                      | (1,223,478)                | (1,241,765)               | (1,241,765)         | -                                  |
| Total Other Financing Sources (Uses) | <u>(535,153)</u>           | <u>(553,440)</u>          | <u>(552,569)</u>    | <u>871</u>                         |
| Net Change in Fund Balances          | <u>(364,500)</u>           | <u>(482,740)</u>          | <u>(137,634)</u>    | <u>345,106</u>                     |
| Fund Balance, Beginning of Year      | <u>4,891,109</u>           | <u>4,891,109</u>          | <u>4,891,109</u>    | <u>-</u>                           |
| Fund Balance, End of Year            | <u>\$ 4,526,609</u>        | <u>\$ 4,408,369</u>       | <u>\$ 4,753,475</u> | <u>\$ 345,106</u>                  |

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FIRE PROTECTION FUND  
FOR THE YEAR ENDED MARCH 31, 2008**

|                                  | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b> | <b>Over<br/>(Under)<br/>Budget</b> |
|----------------------------------|----------------------------|---------------------------|---------------|------------------------------------|
| Revenues                         |                            |                           |               |                                    |
| Property taxes                   | \$ 1,517,344               | \$ 1,517,344              | \$ 1,497,244  | \$ (20,100)                        |
| Charges for services             | 50                         | 50                        | 46            | (4)                                |
| Interest                         | 15,000                     | 15,000                    | 29,105        | 14,105                             |
| Rent                             | 300                        | 300                       | 360           | 60                                 |
| Donations                        | 500                        | 500                       | 675           | 175                                |
| Miscellaneous                    | 1,750                      | 1,750                     | 2,337         | 587                                |
| Total Revenues                   | 1,534,944                  | 1,534,944                 | 1,529,767     | (5,177)                            |
| Expenditures                     |                            |                           |               |                                    |
| Public safety:                   |                            |                           |               |                                    |
| Salaries and wages               | 549,749                    | 549,749                   | 540,424       | (9,325)                            |
| Contractual services             | 15,000                     | 15,000                    | 7,826         | (7,174)                            |
| Volunteer firemen                | 354,000                    | 354,000                   | 354,315       | 315                                |
| Supplies                         | 78,500                     | 78,500                    | 84,876        | 6,376                              |
| Services                         | 10,000                     | 10,000                    | 4,754         | (5,246)                            |
| Gas and oil                      | 16,000                     | 16,000                    | 15,459        | (541)                              |
| Insurance                        | 57,000                     | 57,000                    | 50,687        | (6,313)                            |
| Public utilities                 | 74,200                     | 74,200                    | 66,154        | (8,046)                            |
| Repairs and maintenance          | 131,500                    | 131,500                   | 103,508       | (27,992)                           |
| Education and training           | 32,000                     | 32,000                    | 24,130        | (7,870)                            |
| Computer expense                 | 25,000                     | 25,000                    | 18,302        | (6,698)                            |
| Workmen's compensation insurance | 19,000                     | 19,000                    | 22,032        | 3,032                              |
| Less workmen's comp. dividend    | (2,000)                    | (2,000)                   | (3,328)       | (1,328)                            |
| Capital outlay                   | 103,000                    | 103,000                   | 75,106        | (27,894)                           |
| Total Expenditures               | 1,462,949                  | 1,462,949                 | 1,364,245     | (98,704)                           |
| Revenues Over Expenditures       | 71,995                     | 71,995                    | 165,522       | 93,527                             |
| Other Financing (Uses)           |                            |                           |               |                                    |
| Transfers (out)                  | (71,995)                   | (71,995)                  | (72,602)      | 607                                |
| Net Change in Fund Balances      | -                          | -                         | 92,920        | 92,920                             |
| Fund Balances, Beginning of Year | 1,316,053                  | 1,316,053                 | 1,316,053     | -                                  |
| Fund Balances, End of Year       | \$ 1,316,053               | \$ 1,316,053              | \$ 1,408,973  | \$ 92,920                          |

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
POLICE FUND  
FOR THE YEAR ENDED MARCH 31, 2008**

|                                     | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b>       | <b>Over<br/>(Under)<br/>Budget</b> |
|-------------------------------------|----------------------------|---------------------------|---------------------|------------------------------------|
| Revenues                            |                            |                           |                     |                                    |
| Property taxes                      | \$ 4,105,592               | \$ 4,105,592              | \$ 4,045,137        | \$ (60,455)                        |
| Licenses and permits                | 24,295                     | 24,295                    | 23,868              | (427)                              |
| Intergovernmental:                  |                            |                           |                     |                                    |
| State                               | 136,726                    | 136,726                   | 133,638             | (3,088)                            |
| Charges for services                | 15,250                     | 15,250                    | 13,198              | (2,052)                            |
| Forfeitures                         | 2,000                      | 2,000                     | -                   | (2,000)                            |
| Interest and rent                   | 120,000                    | 120,000                   | 161,139             | 41,139                             |
| Other                               | 112,331                    | 112,331                   | 130,556             | 18,225                             |
| Total Revenues                      | <u>4,516,194</u>           | <u>4,516,194</u>          | <u>4,507,536</u>    | <u>(8,658)</u>                     |
| Expenditures                        |                            |                           |                     |                                    |
| Public safety:                      |                            |                           |                     |                                    |
| Salaries and wages                  | 4,501,575                  | 4,501,575                 | 4,486,370           | (15,205)                           |
| Supplies                            | 115,000                    | 115,000                   | 103,538             | (11,462)                           |
| Contractual Services                | 39,150                     | 39,150                    | 36,255              | (2,895)                            |
| Gas and oil                         | 84,000                     | 84,000                    | 124,017             | 40,017                             |
| Insurance                           | 121,500                    | 121,500                   | 111,250             | (10,250)                           |
| Public utilities                    | 27,000                     | 27,000                    | 25,275              | (1,725)                            |
| Repairs and maintenance             | 118,599                    | 118,599                   | 139,264             | 20,665                             |
| Education and training              | 21,500                     | 21,500                    | 25,817              | 4,317                              |
| Miscellaneous                       | 10,250                     | 10,250                    | 4,246               | (6,004)                            |
| Workmen's compensation insurance    | 52,850                     | 52,850                    | 59,311              | 6,461                              |
| Less workmen's comp. dividend       | (5,000)                    | (5,000)                   | (8,945)             | (3,945)                            |
| Capital outlay                      | 233,198                    | 233,198                   | 219,588             | (13,610)                           |
| Total Expenditures                  | <u>5,319,622</u>           | <u>5,319,622</u>          | <u>5,325,986</u>    | <u>6,364</u>                       |
| Revenues Over (Under) Expenditures  | <u>(803,428)</u>           | <u>(803,428)</u>          | <u>(818,450)</u>    | <u>(15,022)</u>                    |
| Other Financing Sources (Uses)      |                            |                           |                     |                                    |
| Transfers in                        | 1,001,400                  | 1,001,400                 | 1,001,400           | -                                  |
| Transfers (out)                     | (386,000)                  | (386,000)                 | (386,110)           | (110)                              |
| Total Other Financing Sources(Uses) | <u>615,400</u>             | <u>615,400</u>            | <u>615,290</u>      | <u>(110)</u>                       |
| Net Change in Fund Balances         | <u>(188,028)</u>           | <u>(188,028)</u>          | <u>(203,160)</u>    | <u>(15,132)</u>                    |
| Fund Balances, Beginning of Year    | <u>5,946,859</u>           | <u>5,946,859</u>          | <u>5,946,859</u>    | <u>-</u>                           |
| Fund Balances, End of Year          | <u>\$ 5,758,831</u>        | <u>\$ 5,758,831</u>       | <u>\$ 5,743,699</u> | <u>\$ (15,132)</u>                 |

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GARBAGE AND RUBBISH COLLECTION FUND  
FOR THE YEAR ENDED MARCH 31, 2008**

|                                  | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b>       | <b>Over<br/>(Under)<br/>Budget</b> |
|----------------------------------|----------------------------|---------------------------|---------------------|------------------------------------|
| Revenues                         |                            |                           |                     |                                    |
| Charges for services             | \$ 1,568,125               | \$ 1,568,125              | \$ 1,575,489        | 7,364                              |
| Interest and rent                | 20,000                     | 20,000                    | 39,736              | 19,736                             |
| Other                            | 1,000                      | 1,000                     | 2,303               | 1,303                              |
| Total Revenues                   | 1,589,125                  | 1,589,125                 | 1,617,528           | 28,403                             |
| Expenditures                     |                            |                           |                     |                                    |
| Salaries and wages               | 21,110                     | 21,110                    | 14,047              | (7,063)                            |
| Sanitation collection            | 1,538,130                  | 1,538,130                 | 1,397,500           | (140,630)                          |
| Supplies                         | 4,500                      | 4,500                     | 6,326               | 1,826                              |
| Other                            | 85,000                     | 85,000                    | 65,350              | (19,650)                           |
| Total Expenditures               | 1,648,740                  | 1,648,740                 | 1,483,223           | (165,517)                          |
| Net Change in Fund Balances      | (59,615)                   | (59,615)                  | 134,305             | 193,920                            |
| Fund Balances, Beginning of Year | 1,556,192                  | 1,556,192                 | 1,556,192           | -                                  |
| Fund Balances, End of Year       | <u>\$ 1,496,577</u>        | <u>\$ 1,496,577</u>       | <u>\$ 1,690,497</u> | <u>\$ 193,920</u>                  |

The accompanying notes are an integral part of these financial statements.

## **ENTERPRISE FUNDS**

Enterprise Funds are established to account for the financing of self-supporting governmental activities, which render services on a user charge basis to the general public.

The significant characteristic of an enterprise fund is that the accounting system allows for the determination of whether the activity is operated at a profit or loss. All accounts of enterprise funds are self-contained, providing a means for creditors, legislators, and the general public to evaluate the performance of the municipal enterprise on a comparable basis with investor-owned enterprises in the same industry.

In Saginaw Charter Township, the Water and Sewer Funds are operated as enterprise activities.

**SAGINAW CHARTER TOWNSHIP**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**MARCH 31, 2008**

| <u>Assets</u>   | <u>Enterprise Funds</u> |                       |                      | <u>Internal<br/>Service<br/>Fund</u> |
|---|-------------------------|-----------------------|----------------------|--------------------------------------|
|   | <u>Water<br/>Fund</u>   | <u>Sewer<br/>Fund</u> | <u>Total</u>         |                                      |
| Current Assets  |                         |                       |                      |                                      |
| Cash and cash equivalents   | \$ 1,219,422            | \$ 2,686,174          | \$ 3,905,596         | \$ 501,816                           |
| Investments   | -                       | 426,897               | 426,897              | 836,153                              |
| Accounts receivable - net   | 656,392                 | 1,106,576             | 1,762,968            | 175                                  |
| Due from other funds  | 29,465                  | -                     | 29,465               | -                                    |
| Inventory   | 300,224                 | -                     | 300,224              | -                                    |
| Prepaid expenses  | 150                     | 243                   | 393                  | 37,358                               |
| Total Current Assets  | 2,205,653               | 4,219,890             | 6,425,543            | 1,375,502                            |
| Capital Assets  |                         |                       |                      |                                      |
| Non-depreciable assets  | 98,418                  | 667,133               | 765,551              | -                                    |
| Property, plant and equipment   | 29,509,048              | 48,199,482            | 77,708,530           | -                                    |
| Less accumulated depreciation   | (10,464,570)            | (26,045,562)          | (36,510,132)         | -                                    |
| Total Capital Assets  | 19,142,896              | 22,821,053            | 41,963,949           | -                                    |
| <u>Total Assets</u>   | <u>21,348,549</u>       | <u>27,040,943</u>     | <u>48,389,492</u>    | <u>1,375,502</u>                     |
| <u>Liabilities</u>  |                         |                       |                      |                                      |
| Current Liabilities   |                         |                       |                      |                                      |
| Accounts payable  | 175,416                 | 174,303               | 349,719              | 126,809                              |
| Deposits payable  | 1,000                   | -                     | 1,000                | -                                    |
| Current portion - revenue contracts payable   | -                       | 483,141               | 483,141              | -                                    |
| Accrued compensated absences  | 46,044                  | 37,870                | 83,914               | -                                    |
| Advance from other funds  | -                       | 400,000               | 400,000              | -                                    |
| Due to other funds  | 92,256                  | 135,032               | 227,288              | -                                    |
| Total Current Liabilities   | 314,716                 | 1,230,346             | 1,545,062            | 126,809                              |
| Long-Term Liabilities   |                         |                       |                      |                                      |
| Accrued compensated absences  | 9,190                   | 29,825                | 39,015               | -                                    |
| Revenue contracts payable   | -                       | 2,804,361             | 2,804,361            | -                                    |
| Total Long-Term Liabilities   | 9,190                   | 2,834,186             | 2,843,376            | -                                    |
| Total Liabilities   | 323,906                 | 4,064,532             | 4,388,438            | 126,809                              |
| Net Assets  |                         |                       |                      |                                      |
| Invested in capital assets, net of related debt   | 19,142,896              | 19,533,551            | 36,316,212           | -                                    |
| Unrestricted  | 1,881,747               | 3,442,860             | 7,684,842            | 1,248,693                            |
| Total Net Assets  | <u>\$ 21,024,643</u>    | <u>\$ 22,976,411</u>  | 44,001,054           | <u>\$ 1,248,693</u>                  |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |                         |                       | 63,344               |                                      |
| Net assets of business-type activities  |                         |                       | <u>\$ 44,064,398</u> |                                      |

The accompanying notes are an integral part of these financial statements.



**SAGINAW CHARTER TOWNSHIP**  
**STATEMENT OF REVENUE, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2008**

|   | <b>Enterprise Funds</b> |                       |                    | <b>Internal<br/>Service<br/>Fund</b> |
|---|-------------------------|-----------------------|--------------------|--------------------------------------|
|   | <b>Water<br/>Fund</b>   | <b>Sewer<br/>Fund</b> | <b>Total</b>       |                                      |
| Operating Revenues  |                         |                       |                    |                                      |
| Charges for services  | \$ 3,855,270            | \$ 5,073,123          | \$ 8,928,393       | 1,985,716                            |
| Other   | 7,265                   | 1,739                 | 9,004              | -                                    |
| Total Operating Revenues  | 3,862,535               | 5,074,862             | 8,937,397          | 1,985,716                            |
| Operating Expenses  |                         |                       |                    |                                      |
| Operation and maintenance   | 762,157                 | 780,266               | 1,542,423          | 344,538                              |
| Professional services   | 73,089                  | 213,089               | 286,178            | -                                    |
| Supplies  | 69,506                  | 216,606               | 286,112            | -                                    |
| Other services and charges  | 59,000                  | 62,745                | 121,745            | 26,924                               |
| Insurance   | 65,111                  | 129,142               | 194,253            | 2,152,314                            |
| Utilities   | 36,888                  | 240,552               | 277,440            | -                                    |
| Cost of goods sold  | 2,293,981               | 1,330,415             | 3,624,396          | -                                    |
| Repairs and maintenance   | 174,396                 | 222,283               | 396,679            | -                                    |
| Education and training  | 3,506                   | 1,687                 | 5,193              | -                                    |
| Depreciation  | 595,343                 | 1,597,843             | 2,193,186          | -                                    |
| Total Operating Expenses  | 4,132,977               | 4,794,628             | 8,927,605          | 2,523,776                            |
| Operating Income (Loss)   | (270,442)               | 280,234               | 9,792              | (538,060)                            |
| Nonoperating Revenues (Expenses)  |                         |                       |                    |                                      |
| Gain on sale of capital assets  | 7,739                   | 1,700                 | 9,439              | -                                    |
| Interest revenue  | 43,586                  | 126,289               | 169,875            | 77,485                               |
| Interest expense  | -                       | (126,892)             | (126,892)          | -                                    |
| Total Nonoperating Revenues   | 51,325                  | 1,097                 | 52,422             | 77,485                               |
| Income (Loss) Before Contributions<br>and Transfers   | (219,117)               | 281,331               | 62,214             | (460,575)                            |
| Capital contributions   | 124,609                 | -                     | 124,609            | -                                    |
| Transfers (out)   | (84,904)                | (108,753)             | (193,657)          | -                                    |
| Changes in net assets   | (179,412)               | 172,578               | (6,834)            | (460,575)                            |
| Net assets, beginning of year   | 21,204,055              | 22,803,833            |                    | 1,709,268                            |
| Net assets, end of year   | <u>\$ 21,024,643</u>    | <u>\$ 22,976,411</u>  |                    | <u>\$ 1,248,693</u>                  |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |                         |                       | (76,353)           |                                      |
| Change in net assets of business-type activities  |                         |                       | <u>\$ (83,187)</u> |                                      |

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2008**

|   | <b>Enterprise Funds</b> |                       |              | <b>Internal<br/>Service<br/>Funds</b> |
|---|-------------------------|-----------------------|--------------|---------------------------------------|
|   | <b>Water<br/>Fund</b>   | <b>Sewer<br/>Fund</b> | <b>Total</b> |                                       |
| Cash Flows From Operating Activities  |                         |                       |              |                                       |
| Cash received from customers  | \$ 4,415,506            | \$ 4,286,926          | \$ 8,702,432 | \$ 129,099                            |
| Cash received from interfund services   | -                       | -                     | -            | 1,966,417                             |
| Cash payments for interfund services  | (384,790)               | 305,241               | (79,549)     | -                                     |
| Cash payments to employees  | (762,888)               | (774,825)             | (1,537,713)  | -                                     |
| Cash payments to suppliers for goods and services   | (2,664,117)             | (2,266,850)           | (4,930,967)  | (2,504,161)                           |
| Net Cash Provided (Used) By<br>Operating Activities   | 603,711                 | 1,550,492             | 2,154,203    | (408,645)                             |
| Cash Flows From Noncapital<br>Financing Activities:   |                         |                       |              |                                       |
| Transfers out   | (84,904)                | (108,753)             | (193,657)    | -                                     |
| Cash Flows From Capital and Related<br>Financing Activities:                                      |                         |                       |              |                                       |
| Capital contributions   | 124,609                 | -                     | 124,609      | -                                     |
| Acquisition of capital assets   | (497,353)               | (522,903)             | (1,020,256)  | -                                     |
| Proceeds from the sale of capital assets  | 7,739                   | 1,700                 | 9,439        | -                                     |
| Principal paid on long-term debt  | -                       | (478,190)             | (478,190)    | -                                     |
| Interest and fiscal charges paid on long-term debt  | -                       | (126,892)             | (126,892)    | -                                     |
| Net Cash (Used) By Capital and Related<br>Financing Activities                                    | (365,005)               | (1,126,285)           | (1,491,290)  | -                                     |
| Cash Flows From Investing Activities:   |                         |                       |              |                                       |
| Sale of investments   | -                       | 584,833               | 584,833      | 157,794                               |
| Interest on investments   | 43,586                  | 126,289               | 169,875      | 77,485                                |
| Net Cash Provided (Used) By<br>Investing Activities   | 43,586                  | 711,122               | 754,708      | 235,279                               |
| Net Increase (Decrease) in Cash<br>and Cash Equivalents   | 197,388                 | 1,026,576             | 1,223,964    | (173,366)                             |
| Cash and Cash Equivalents, Beginning of Year  | 1,022,034               | 1,659,598             | 2,681,632    | 675,182                               |
| Cash and Cash Equivalents, End of Year  | \$ 1,219,422            | \$ 2,686,174          | \$ 3,905,596 | \$ 501,816                            |
| Cash Flows From Operating Activities:   |                         |                       |              |                                       |
| Operating income (loss)   | \$ (270,442)            | \$ 280,234            | \$ 9,792     | \$ (538,060)                          |
| Adjustments to reconcile operating income (loss)<br>to net cash provided by operating activities: |                         |                       |              |                                       |
| Depreciation  | 595,343                 | 1,597,843             | 2,193,186    | -                                     |
| (Increase) decrease in assets:  |                         |                       |              |                                       |
| Accounts receivable   | 552,971                 | (787,936)             | (234,965)    | 109,800                               |
| Due from other funds  | (25,255)                | 361,601               | 336,346      | -                                     |
| Inventory   | (31,645)                | -                     | (31,645)     | -                                     |
| Prepaid expenses  | 120                     | (25)                  | 95           | (17,012)                              |
| Increase (decrease) in liabilities:   |                         |                       |              |                                       |
| Accounts payable  | 142,885                 | 169,048               | 311,933      | 36,627                                |
| Due to other governmental units   | -                       | (19,354)              | (19,354)     | -                                     |
| Compensated absences  | (731)                   | 5,441                 | 4,710        | -                                     |
| Advance from other funds  | -                       | (80,000)              | (80,000)     | -                                     |
| Due to other funds  | (359,535)               | 23,640                | (335,895)    | -                                     |
| Net Cash Provided (Used) By Operating Activities  | \$ 603,711              | \$ 1,550,492          | \$ 2,154,203 | \$ (408,645)                          |

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
MARCH 31, 2008**

|                                    | <b>Retiree<br/>Health Trust</b> | <b>Agency<br/>Funds</b> |
|------------------------------------|---------------------------------|-------------------------|
| Assets                             |                                 |                         |
| Cash and cash equivalents          | \$ -                            | \$ 101,638              |
| Investments                        | 501,070                         | 2,587                   |
| Delinquent personal property taxes | -                               | 1,221,957               |
| Due from others                    | -                               | 4,933                   |
|                                    | <hr/>                           | <hr/>                   |
| Total Assets                       | <u>\$ 501,070</u>               | <u>\$ 1,331,115</u>     |
| Liabilities                        |                                 |                         |
| Accounts payable                   | \$ -                            | \$ 510                  |
| Due to others                      | -                               | 251,004                 |
| Due to other governmental units    | -                               | 1,079,601               |
|                                    | <hr/>                           | <hr/>                   |
| Total Liabilities                  | <u>-</u>                        | <u>\$ 1,331,115</u>     |
| Net Assets Held in Trust           | <u><u>\$ 501,070</u></u>        |                         |

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2008**

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|   | <b><u>Retiree<br/>Health Trust</u></b> |
|---|--|
| Additions                                   |  |
| Contributions:                              |  |
| Employer                                    | <u>\$          505,241</u>             |
| Deductions                                  |  |
| Adminstration                               | 380                                    |
| Investment loss                             | <u>3,790</u>                           |
| Total Deductions                            | <u>4,170</u>                           |
| Change in Net Assets                        | 501,071                                |
| Net Assets Held in Trust for Retiree Health |  |
| Beginning of the year                       | <u>-</u>                               |
| End of the year                             | <u><u>\$          501,071</u></u>      |

The accompanying notes are an integral part of these financial statements.

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of *Saginaw Charter Township* (the “Township”), conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies:

#### A. FINANCIAL REPORTING ENTITY

*Saginaw Charter Township* (the “Township”) is a municipal corporation governed by an elected Board. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township and its component unit. The component unit discussed below is included in the Township’s reporting entity because of the significance of its financial relationship with the Township.

**Economic Development Corporation (“EDC”)** – The EDC is included as a part of the Township’s financial statements because the Township is financially accountable for the EDC and the Township Board has the ability to significantly influence the operation of the EDC. The financial statements of this component unit of the Township, which are reported for the fiscal year ending December 31, 2007, are presented as a discretely presented component unit of the Township. A complete financial statement can be obtained from Saginaw Charter Township Offices, Saginaw, Michigan 48603.

### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement – based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *fire protection fund* accounts for the separate voted special assessment and related operation of the fire department.

The *police fund* accounts for the separate voted millage and the related operation of the police department.

The *garbage and rubbish collection fund* accounts for separate charges for service and the related operation of garbage and rubbish collection.

The *special assessment revolving fund* accounts for the special assessment revenue and the related capital projects.

The government reports the following major proprietary funds:

The *water fund* accounts for the activities of the government's water distribution system.

The *sewer fund* accounts for the activities of the government's sewage disposal and treatment system.

Additionally, the Township reports the following fund types:

*Internal service funds* account for health benefits and risk management services provided to other departments or agencies of the government on a cost reimbursement basis.

*Fiduciary funds* are used to account for assets held for other governments in an agency capacity, including tax collections and to account for assets held in trust for the retiree health benefits.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and water enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

### **D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY**

#### **1. DEPOSITS AND INVESTMENTS**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.



# **SAGINAW CHARTER TOWNSHIP**

## **NOTES TO FINANCIAL STATEMENTS**

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State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, banker's acceptances, and mutual funds composed of otherwise legal investments.

Investments are reported at fair value.

### **2. RECEIVABLES AND PAYABLES**

All receivables and payables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

### **3. INVENTORIES AND PREPAIDS**

Inventory maintained by the General Fund and Water Enterprise Fund is valued at cost using the first-in, first-out method. Inventory of expendable supplies in other funds have not been recorded and the amount of any such inventory is not considered material. The cost value of such inventory was recorded as an expenditure at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### **4. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure such as water and sewer systems, are reported in the governmental and business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The governmental activities have no infrastructure assets.

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year. Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u>                  | <u>Years</u> |
|--------------------------------|--------------|
| Land improvements              | 20-30        |
| Buildings                      | 20-50        |
| Water / Sewer Plants and Mains | 5-40         |
| Equipment                      | 5-20         |
| Vehicles                       | 5-20         |

### 5. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

# **SAGINAW CHARTER TOWNSHIP**

## **NOTES TO FINANCIAL STATEMENTS**

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### **6. FUND EQUITY**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTIBILITY**

### **A. BUDGETS AND BUDGETARY ACCOUNTING**

Comparisons to budget are presented for general and special revenue fund types as required by generally accepted accounting principles. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to March 31, the Township Manager submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments.
2. The budget is legally enacted through passage of a resolution on or before March 31.
3. Budgets for the general and special revenue funds are legally adopted on a basis consistent with generally accepted accounting principles ("GAAP"). The budget for the General Fund is adopted by activity. In the special revenue funds, budgets are adopted by total expenditures with revenue adopted as itemized in the report. Expenditures are reported using the administrative detail for informational purposes.
4. Adoption and amendments of all budgets used by the Township are governed by Michigan Public Act 621, which was complied with during the year ended March 31, 2008. Any amendment of the original budget must meet the requirements of Public Act 621. The Township did amend its budget for the year ended March 31, 2008.
5. The Township Board must approve amendments to the budget for changes in activities which exceed \$1,500 in the General Fund. Management can amend appropriations in the budget between activities for amounts less than \$1,500 without the approval of the Board. Changes in total expenditures in the Special Revenue Funds must be approved by the Township Board.

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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6. The legal level of control is at the function level in the General Fund and at the total expenditure level in the Special Revenue Funds.

Budgeted amounts are as originally adopted, or as amended by the Township Board. Encumbered appropriations lapse at year-end and amounts are reappropriated for expenditures to be incurred in the next fiscal year.

### III. DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

A reconciliation of cash, pooled investments and investments as shown in the basic financial statements to the Township's deposits and investments is as follows:

|   | <b><u>Carrying<br/>Amount</u></b> |
|---|-----------------------------------|
| Government-wide Financial Statement Captions: |                                   |
| Primary Government                            |                                   |
| Cash and cash equivalents                     | \$ 14,066,816                     |
| Investments                                   | 4,769,003                         |
| Component Unit                                |                                   |
| Cash and cash equivalents                     | 2,725                             |
| Fiduciary Fund Financial Statement Captions:  |                                   |
| Cash and cash equivalents                     | 101,638                           |
| Investments                                   | <u>503,657</u>                    |
| Total   | <u><u>\$ 19,443,839</u></u>       |
| Notes to the Financial Statements:            |                                   |
| Deposits                                      | \$ 14,596,826                     |
| Investments                                   | 4,845,763                         |
| Cash on hand                                  | <u>1,250</u>                      |
| Total   | <u><u>\$ 19,443,839</u></u>       |

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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### Deposits and investments

The Township chooses to disclose its investments by specifically identifying each. As of March 31, 2008, the Township had the following investments.

|                               | Maturity               | Fair Value         | Rating  |
|-------------------------------|------------------------|--------------------|---------|
| MBIA's Michigan Class<br>Pool | average of 6-12 months | \$4,344,693        | AAA/V1+ |
| MERS Total Market<br>Pool     | various                | <u>501,070</u>     | N/A     |
| Total                         |                        | <u>\$4,845,763</u> |         |

### Investment and deposit risk

**Interest Rate Risk.** State law limits the allowable investments and the maturities of some of the allowable investments as identified below. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** The Township's investment policy does not have specific limits in excess of state law on investment credit risk. The credit rating for the Township's investment in the MBIA's Michigan Class Pool is shown above.

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial credit risk. As of year-end \$9,394,984 of the Township's bank balance of \$9,994,984 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Custodial Credit Risk – Investments.** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Township does not have a policy for investment custodial credit risk. The securities above are held in the counterparty's trust department in the Township's name, so are not exposed to custodial credit risk.

# **SAGINAW CHARTER TOWNSHIP**

## **NOTES TO FINANCIAL STATEMENTS**

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Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified below. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk.

The Township is authorized by statute to invest surplus funds in the following:

- ◆ Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- ◆ Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- ◆ Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- ◆ In banker's acceptances of United States banks.
- ◆ Obligations of the State of Michigan and its political subdivisions that, at the time of purchase, are rated as investment grade by at least one standard rating service.
- ◆ Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- ◆ External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The Township Board is authorized to designate depositories for Township funds, and to determine that the funds are invested in accordance with State of Michigan statutory authority.

The Township's deposits are in accordance with statutory authority.

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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### B. RECEIVABLES

Receivables in the primary government are as follows:

|                     | Governmental<br>Activities | Business-type<br>Activities |
|---------------------|----------------------------|-----------------------------|
| Taxes               | \$ 688,036                 | \$ -                        |
| Accounts            | 128,974                    | 1,762,968                   |
| Special Assessments |                            |                             |
| Due within one year | 203,566                    | -                           |
| Due after one year  | 395,753                    | -                           |
| Intergovernmental   |                            |                             |
| Due within one year | 587,538                    | -                           |
| Total               | <u>\$ 2,003,867</u>        | <u>\$ 1,762,968</u>         |

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

|  | Unavailable       | Unearned        |
|--|-------------------|-----------------|
| Special assessments receivable (General fund)                        | \$ 123,103        | \$ -            |
| Special assessments receivable (Nonmajor<br>Governmental fund types) | 462,781           | -               |
| Grant drawdowns prior to meeting all eligibility<br>requirements     | -                 | 9,983           |
| Total  | <u>\$ 585,884</u> | <u>\$ 9,983</u> |

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

### C. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2008, was as follows:

|  | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Disposals</u>  | <u>Ending<br/>Balance</u> |
|--|------------------------------|-------------------|-------------------|---------------------------|
| <b>Governmental activities</b>                         |                              |                   |                   |                           |
| Capital assets not being<br>depreciated – Land         | \$ 668,553                   | \$ -              | \$ -              | \$ 668,553                |
| Capital assets being<br>depreciated:                   |                              |                   |                   |                           |
| Land improvements                                      | 5,274,619                    | 310,566           | -                 | 5,585,185                 |
| Buildings and<br>improvements                          | 8,593,369                    | 504,249           | -                 | 9,097,618                 |
| Equipment  | 877,382                      | 192,982           | (25,459)          | 1,044,905                 |
| Vehicles   | <u>3,481,650</u>             | <u>233,720</u>    | <u>(113,150)</u>  | <u>3,602,220</u>          |
| Total capital assets being<br>depreciated              | <u>18,227,020</u>            | <u>1,241,517</u>  | <u>(138,609)</u>  | <u>19,329,928</u>         |
| Less accumulated depreciation                          |                              |                   |                   |                           |
| Land improvements                                      | (3,272,868)                  | (113,345)         | -                 | (3,386,213)               |
| Buildings and<br>improvements                          | (2,820,298)                  | (277,861)         | -                 | (3,098,159)               |
| Equipment  | (487,400)                    | (84,533)          | 23,673            | (548,260)                 |
| Vehicles   | <u>(2,304,360)</u>           | <u>(304,057)</u>  | <u>105,441</u>    | <u>(2,502,976)</u>        |
| Total accumulated depreciation                         | <u>(8,884,926)</u>           | <u>(779,796)</u>  | <u>129,114</u>    | <u>(9,535,608)</u>        |
| Total capital assets being<br>depreciated, net         | <u>9,342,094</u>             | <u>461,721</u>    | <u>(9,495)</u>    | <u>9,794,320</u>          |
| <b>Governmental activities<br/>capital assets, net</b> | <u>\$10,010,647</u>          | <u>\$ 461,721</u> | <u>\$ (9,495)</u> | <u>\$10,462,873</u>       |



# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>   | <u>Disposals</u>   | <u>Ending<br/>Balance</u> |
|---|------------------------------|--------------------|--------------------|---------------------------|
| <b>Business-type activities</b>                     |                              |                    |                    |                           |
| Capital assets not being depreciated:               |                              |                    |                    |                           |
| Land  | \$ 261,573                   | \$ -               | \$ -               | \$ 261,573                |
| Construction in progress                            | <u>151,172</u>               | <u>690,518</u>     | <u>(337,712)</u>   | <u>503,978</u>            |
| Total capital assets not being depreciated          | <u>412,745</u>               | <u>690,518</u>     | <u>(337,712)</u>   | <u>765,551</u>            |
| Capital assets being depreciated:                   |                              |                    |                    |                           |
| Building, plants, mains                             | 75,274,769                   | 549,486            | (47,797)           | 75,776,458                |
| Equipment   | 1,243,321                    | -                  | (18,280)           | 1,225,041                 |
| Vehicles  | <u>613,657</u>               | <u>118,324</u>     | <u>(24,950)</u>    | <u>707,031</u>            |
| Total capital assets being depreciated              | <u>77,131,747</u>            | <u>667,810</u>     | <u>(91,027)</u>    | <u>77,708,530</u>         |
| Less accumulated depreciation                       |                              |                    |                    |                           |
| Building, plants, mains                             | (32,873,870)                 | (2,113,948)        | -                  | (34,987,818)              |
| Equipment   | (974,954)                    | (40,566)           | 17,919             | (997,601)                 |
| Vehicles  | <u>(510,991)</u>             | <u>(38,672)</u>    | <u>24,950</u>      | <u>(524,713)</u>          |
| Total accumulated depreciation                      | <u>(34,359,815)</u>          | <u>(2,193,186)</u> | <u>42,869</u>      | <u>(36,510,132)</u>       |
| Total capital assets being depreciated, net         | <u>42,771,932</u>            | <u>(1,525,376)</u> | <u>(48,158)</u>    | <u>41,198,398</u>         |
| <b>Business-type activities capital assets, net</b> | <u>\$43,184,677</u>          | <u>\$(834,858)</u> | <u>\$(385,870)</u> | <u>\$ 41,963,949</u>      |

The disposal for Building, plants, mains, is the change in the Township's percentage of responsibility in the Northwest Utility Authority's contracts payable. As such, there is no corresponding disposal for accumulated depreciation on the asset.

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

Depreciation expense was charged to functions/programs of the primary government as follows:

### Governmental activities:

|   |                          |
|---|--------------------------|
| General government  | \$ 80,104                |
| Public safety   | 402,296                  |
| Public works  | 64,521                   |
| Highways and streets  | 57,517                   |
| Recreation and culture                                      | <u>175,358</u>           |
| <b>Total depreciation expense – governmental activities</b> | <b><u>\$ 779,796</u></b> |

### Business-type activities:

|  |                            |
|--|----------------------------|
| Water  | \$ 595,343                 |
| Sewer  | <u>1,597,843</u>           |
| <b>Total depreciation expense – business-type activities</b> | <b><u>\$ 2,193,186</u></b> |

### Construction commitments

The Township has five active construction projects as of March 31, 2008.

| <u>Project</u>                | <u>Spent-to-Date</u> | <u>Remaining<br/>Commitment</u> |
|-------------------------------|----------------------|---------------------------------|
| Shattuck & Bay                | \$ 41,168            | \$ 258,832                      |
| Pius                          | 22,070               | 187,930                         |
| Leila to Green                | 5,003                | 124,997                         |
| WWTP expansion                | 426,552              | 10,673,448                      |
| Tittabawassee sewer extension | <u>9,184</u>         | <u>1,378,816</u>                |
| Total                         | <u>\$ 503,977</u>    | <u>\$ 12,624,023</u>            |

### D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

| <u>Due To</u> | <u>Due From</u>         |                       |                       | <u>Total</u>      |
|---------------|-------------------------|-----------------------|-----------------------|-------------------|
|               | <u>General<br/>Fund</u> | <u>Water<br/>Fund</u> | <u>Sewer<br/>Fund</u> |                   |
| General Fund  | \$ -                    | \$ 92,256             | \$ 113,343            | \$ 205,599        |
| Water fund    | <u>7,776</u>            | <u>-</u>              | <u>21,689</u>         | <u>29,465</u>     |
| Total         | <u>\$ 7,776</u>         | <u>\$ 92,256</u>      | <u>\$ 135,032</u>     | <u>\$ 235,064</u> |

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

The balance of \$113,343 and \$92,256 due to the general fund from the sewer and water funds is for short-term advances between the funds related to administrative costs.

The balance of \$21,869 due to the water fund from the sewer fund is related to the expense incurred by the water fund for utility billing.

The balance of \$7,776 due to the water fund from the general fund is for an overpayment of a utility bill.

### Advances to/from other funds

|         |                   |                   |
|---------|-------------------|-------------------|
| General | \$ 400,000        | \$ -              |
| Sewer   | -                 | 400,000           |
| Total   | <u>\$ 400,000</u> | <u>\$ 400,000</u> |

The advance between the general fund and sewer fund is for construction of the wastewater treatment plant expansion.

| Transfers<br>from:                | Transfers To      |                    |  |                                   |                     |
|-----------------------------------|-------------------|--------------------|--|-----------------------------------|---------------------|
|                                   | General<br>Fund   | Police<br>Fund     | Special<br>Assessment<br>Revolving<br>Fund | Nonmajor<br>Governmental<br>Funds | Total               |
| General Fund                      | \$ -              | \$1,001,400        | \$ -                                       | \$ 240,365                        | \$1,241,765         |
| Fire Fund                         | 72,602            | -                  | -  | -                                 | 72,602              |
| Police Fund                       | 386,110           | -                  | -  | -                                 | 386,110             |
| Nonmajor<br>Governmental<br>Funds | 36,827            | -                  | 233,896                                    | -                                 | 270,723             |
| Water Fund                        | 84,904            | -                  | -  | -                                 | 84,904              |
| Sewer                             | 108,753           | -                  | -  | -                                 | 108,753             |
| Total                             | <u>\$ 689,196</u> | <u>\$1,001,400</u> | <u>\$ 233,896</u>                          | <u>\$ 240,365</u>                 | <u>\$ 2,164,857</u> |

The interfund transfer from the General Fund to the Police Fund and Nonmajor governmental funds is to subsidize those operations. The transfers to the General Fund from other funds are for administrative charges. The \$233,896 transfer between the Nonmajor Governmental Funds is from the Public Improvement Fund to the Special Assessment Revolving Fund for the Township's portion of the projects within the Special Assessment Revolving Fund.

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

### E. LONG-TERM DEBT

Long-term activity for the year ended March 31, 2008, was as follows:

|                                 | Beginning<br>Balance | Additions         | Reductions          | Ending<br>Balance   | Due within<br>One year |
|---------------------------------|----------------------|-------------------|---------------------|---------------------|------------------------|
| <b>Primary Government</b>       |                      |                   |                     |                     |                        |
| <b>Governmental activities:</b> |                      |                   |                     |                     |                        |
| Postclosure liability           | \$ 350,000           | \$ -              | \$ (50,000)         | \$ 300,000          | \$ 50,000              |
| Compensated<br>absences         | <u>855,144</u>       | <u>608,211</u>    | <u>(575,612)</u>    | <u>887,743</u>      | <u>575,612</u>         |
| Long-term liabilities           | <u>\$ 1,205,144</u>  | <u>\$ 608,211</u> | <u>\$ (625,612)</u> | <u>\$ 1,187,743</u> | <u>\$ 625,612</u>      |
| <b>Business-type activities</b> |                      |                   |                     |                     |                        |
| Contracts payable               | \$ 3,813,490         | \$ -              | \$ (525,988)        | \$ 3,287,502        | \$ 483,141             |
| Compensated<br>absences         | <u>118,219</u>       | <u>88,625</u>     | <u>(83,915)</u>     | <u>122,929</u>      | <u>83,914</u>          |
| Long-term liabilities           | <u>\$ 3,931,709</u>  | <u>\$ 88,625</u>  | <u>\$ (609,903)</u> | <u>\$ 3,410,431</u> | <u>\$ 567,055</u>      |

Sewer revenue contracts are supported by revenues of the sewer fund. The Township has no general obligation debt that can be levied on the annual property tax bills.

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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Debt payable at March 31, 2008, is comprised of the following individual issues:

### REVENUE CONTRACTS (BONDS SOLD BY SAGINAW COUNTY):

#### \$1,441,683, 1997 NWUA Improvement and Refunding Bonds.

The Township participated, as a member of the Northwest Utilities Authority in a pump station improvement program. To finance this project and to defease the eligible bonds on the 1990 NWUA debt, \$3,690,000 in bonds were issued by Saginaw County. The Township has a contract with Saginaw County D.P.W. for the cost of the construction attributable to its 3 year average flow. Debt service share varies annually based upon this flow. For the year ended March 31, 2008, the Township's share of the flow was 44.835 %. The contract principal portion owed by the Township of Saginaw has been recorded as a liability of the Sewer Fund. The assets related to this debt are recorded as assets of the Sewer Fund. Original prorata share of annual installments varies from \$60,559 to \$113,303 through May 1, 2016, with interest from 4.5% to 5.5%.

\$1,046,897

\$5,870,975, 1991 Weiss Drain CSO Improvement Bonds due in annual installments of \$235,128 to \$351,970 through October 1, 2012, with interest at 2.00%

1,693,495

\$1,086,584, 1996 Weiss InLine Detention Bonds due in annual installments of \$49,045 to \$69,240 through October 1, 2016, with interest at 2.25%

547,110

\$3,287,502

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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Business-type debt service requirements to maturity, including interest of \$365,955 are as follows:

| <b><u>Year ending<br/>March 31</u></b> | <b><u>Principal</u></b> | <b><u>Interest</u></b> |
|--|-------------------------|------------------------|
| 2009                                   | \$ 483,141              | \$ 86,900              |
| 2010                                   | 497,722                 | 74,335                 |
| 2011                                   | 508,620                 | 61,457                 |
| 2012                                   | 520,315                 | 51,712                 |
| 2013                                   | 533,452                 | 38,228                 |
| 2014-17                                | <u>744,252</u>          | <u>53,323</u>          |
|  | <u>\$3,287,502</u>      | <u>\$ 365,955</u>      |

### **Governmental Activity:**

Landfill Postclosure Liability: The Township owns a landfill that was closed during fiscal year 1982-83. Due to a breakdown in the collection system installed at closure, a remediation project is underway that is projected to cost \$300,000 for operations through the year 2015. Operating costs are based on adjusted historical costs of a similar facility. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

For the governmental activities, the postclosure liability and the compensated absences are generally liquidated by the General Fund.

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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### IV. OTHER INFORMATION

#### A. DEFINED CONTRIBUTION PENSION PLAN

The Saginaw Charter Township Municipal Government Employees Pension Plan is held in trust and covers 81 full-time employees, over the age of 18, employed with the Township for more than four months prior to April 1st. The third party administrator for this plan is John Hancock. Members of the Police Union may choose this plan or the MERS defined benefit pension, at the time of their initial enrollment. In addition, the Township manager is enrolled in the Manager Only Money Purchase Plan administered by the ICMA Retirement Corporation. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Defined contribution pension cost to the Township for the fiscal year ending March 31, 2008, was \$645,431, which represented 14.61% of current year covered payroll. Defined contribution pension cost to the employees was \$195,913. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are set for union employees by contract and for non-union employees by resolution of the Township Board under the Township's Pension Ordinance. Employees may make voluntary contributions not to exceed 25% total contribution. The Township's policy is to fund pension costs representing 15 percent of the annual salaries of covered employees, as follows:

|                            | <u>NON-UNION</u> | <u>POLICE UNION</u> | <u>UNION<br/>LOCAL 486</u> |
|----------------------------|------------------|---------------------|----------------------------|
| Township Contribution Rate | 15%              | 15%                 | 15%                        |
| Required Employee          |                  |                     |                            |
| Contribution Rate          | <u>2%</u>        | <u>2%</u>           | <u>2%</u>                  |
|                            | <u>17%</u>       | <u>17%</u>          | <u>17%</u>                 |

The Township's contributions for each employee are fully vested after 5 years for non-union/Police Union employees and 10 years for Union Local 486 employees. Unvested benefits forfeited by employees who leave employment early are used to reduce Township contributions. Assets of the John Hancock plan are valued at \$14,349,202. Assets of the ICMA plan are \$391,115.

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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### B. DEFINED BENEFIT PLAN

Plan Description. For Police Union employees choosing the Township's defined benefit pension plan, the plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Township participates in the Municipal Employees Retirement System of Michigan ("MERS"), an agent multiple-employer plan operating under Public Act 220 of 1996 and the MERS Plan Document, and administered by the MERS Retirement Board. Changes in benefit coverage are available after approved by a majority vote of the municipalities governing body. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.

Funding Policy. The Township is required to contribute at an actuarially determined rate; the current rate is 15% of annual covered payroll. The Township's contribution is capped at 15%. If the actuarially determined rate is higher than the cap, the difference is paid by the employees. Employees are currently required to contribute 6.26% to the Plan. The contribution requirements of the Township are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Township depending on the MERS contribution program adopted by the Township.

Annual Pension Cost. For the year ended March 31, 2008, the Township's annual pension cost of \$305,740 for MERS was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% annually after retirement. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return and includes an adjustment to reflect fair value. The Township's unfunded actuarial accrued liability, if any, is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2006, the date of the latest actuarial valuation, was 29 years.



# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

### Three-Year Trend Information

| <u>Fiscal<br/>Year<br/>Ending</u> | <u>Annual<br/>Pension<br/>Cost (APC)</u> | <u>Percentage<br/>of APC<br/>Contributed</u> | <u>Net<br/>Pension<br/>Obligation</u> |
|-----------------------------------|--|--|---------------------------------------|
| 3/31/06                           | \$259,458                                | 100%   | \$0                                   |
| 3/31/07                           | 274,524                                  | 100%   | 0                                     |
| 3/31/08                           | 305,740                                  | 100%   | 0                                     |

### Schedule of Funding Progress

| <u>Valuation<br/>Date</u> | <u>Actuarial<br/>Value of<br/>Assets</u> | <u>Actuarial<br/>Accrued<br/>Liability (AAL)<br/>Entry Age</u> | <u>Unfunded<br/>Actuarial Accrued<br/>Liability<br/>AAL<br/>(UAAL)</u> | <u>Funded<br/>Ratio</u> | <u>Covered<br/>Payroll</u> | <u>UAAL as a<br/>Percentage of<br/>Covered Payroll</u> |
|---------------------------|--|--|--|-------------------------|----------------------------|--|
| 12/31/04                  | \$8,309,631                              | \$11,187,989   | \$2,878,358  | 74%                     | \$1,554,543                | 185%   |
| 12/31/05                  | 8,688,585                                | 11,528,068   | 2,839,483  | 75%                     | 1,672,589                  | 170%   |
| 12/31/06                  | 9,266,848                                | 12,380,441   | 3,113,593  | 75%                     | 1,784,130                  | 175%   |

### C. POSTEMPLOYMENT BENEFITS

Saginaw Township administers a single-employer defined benefit postemployment healthcare plan – Retiree Health Trust.

The Retiree Health Trust financial statements are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value, which is determined by the mean of the most recent bid and asked prices as obtained from the investment custodian.

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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The Township provides two types of postemployment health care benefits in accordance with a Township resolution, to all non-union employees who retire between the ages of 55 and 65 with at least 20 years of service, all police union employees retiring between the ages of 52 and 65 with 25 years of service, and Local 486 ("DPS") employees retiring between the ages of 60 and 65 with 30 years of service.

Prior to age 65, non-union and DPS employees are entitled to 50% Blue Cross/Blue Shield health insurance up to \$2,500/\$5,000 maximum benefit annually. Expenditures are expensed as incurred in the individual funds. Police union retirees are eligible for 100% Blue Cross/Blue Shield health insurance coverage annually. Benefits are advance funded, but not on an actuarial basis until the fiscal year ending March 31, 2009. In addition, non-union Police Command employees are eligible for the 100% benefits which are not advance funded. Currently eleven retirees meet the eligibility requirements for these benefits. During the year, expenditures of \$102,856 were recognized for the retiree health benefits.

Upon attaining age 65, the Township reimburses the Medicare supplement premiums for retirees and their qualified spouses up to \$1,237 per person annually. Expenditures for the reimbursement are recognized as they are paid in the Health Benefit Internal Service fund. Benefits are advance funded, but not on an actuarial basis until March 31, 2009. Currently four retirees meet the eligibility requirements.

Plan provisions and contribution requirements are established and may be amended by the Township Board.

The funded status of the plan as of the most recent actuarial valuation date is as follows:

| Actuarial<br>Valuation<br>Date<br>(March 31) | Actuarial<br>Value of<br>Assets | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age | Unfunded<br>(Overfunded)<br>AAL | Funded<br>Ratio | Covered<br>Payroll | UAAL<br>as<br>% of<br>Covered<br>Payroll |
|--|---------------------------------|---|---------------------------------|-----------------|--------------------|--|
| 2008   | \$501,070                       | \$6,429,545   | \$5,928,485                     | 7.8%            | N/A                | N/A                                      |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The

# **SAGINAW CHARTER TOWNSHIP**

## **NOTES TO FINANCIAL STATEMENTS**

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schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities or benefits.

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposed are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following actuarial assumptions were used in the development of Saginaw Charter Township's retiree health cost projections. Where consistent with the terms of the plan, actuarial assumptions have utilized the proposed assumption for the Michigan State Employees' Retirement System ("MSERS"), and Michigan State Police Retirement System ("MSPRS") as provided in the December 31, 2006, Actuarial Valuation Reports.

1. Interest Discount Rate: 4% compounded annually.
2. Mortality: 1994 Group Annuity Table set forward one year for both males and females for general employees. 1994 Group Annuity Table for both males and females for Police Employees.
3. Employee Turnover/Withdrawal: Select and Ultimate rates of the MSPRS for Police Employees and MSERS for all other employees.
4. Disablement: MSPRS disability rates for Police Employees and MSERS for all other employees.

# **SAGINAW CHARTER TOWNSHIP**

## **NOTES TO FINANCIAL STATEMENTS**

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5. Retirement: MSPRS retirement rates for Police Employees and MSERS for all other employees.
6. Percentage of Retirees Participating in Retiree Medical Coverage:  
  
Future retirees: 100% of current employees are expected to participate in Saginaw Charter Township's retiree health insurance plan.  
  
Current retirees: Actual retiree participation
7. Percentage of Retirees Electing Family Coverage:  
  
Future Retirees: 80% of future retirees that take coverage are assumed to elect two-party coverage.  
  
Current Retirees: Actual family coverage
8. Age Difference of Active Employees and Spouses: Spouses are the same age as the employees.
9. Annual Medical Trend Rate Assumptions: Based on recent experience, the experience of medical insurers, Milliman's future trend expectations, and judgment. 11% per annum for 2008 grading down to 4% per annum over an 8-year period.
10. Monthly 2008-2009 Retiree Premiums: Based upon existing data, it is assumed that retirees elect to participate in the Blue Cross/Blue Shield PPO #1 Plan. The Township's current premium rates are single \$411 and double \$942.
11. Expected monthly 2008-2009 Medical costs per Retiree: Estimates of monthly 2008-2009 medical costs per retiree by age based on the Township's current premiums, adjusted for demographic differences between retirees and all participants. Saginaw Charter Township has a self-funded health plan administered by Blue Cross/Blue Shield of Michigan that they offer to their employees and retirees. This plan was changed in April of 2007 from the Blue Care network. No changes are planned in the near future.

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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### D. SELF INSURANCE

Governmental Accounting Standards Board Statement No. 10 on Risk Financing requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A summary of the Township's self-insurance is as follows:

Health Benefit: The Township initiated a self insurance health benefit package August 10, 1981. As of March 31, 2008, the maximum aggregate health liability to the Township was \$1,160,374. Amounts above this are covered by an insurance policy. In addition, insurance was purchased for individual health claims which has a \$25,000 per person deductible. Life insurance premiums, short term disability benefits of 70% of compensation, police early retiree health insurance and medigap premium reimbursement are also paid by this fund. Assets of this plan of \$982,485 are recorded in the Internal Service Funds. Liabilities of \$94,999 represent unpaid medical invoices on March 31, 2008, and an incurred but not reported liability of \$85,488.

The changes in the claims liability for the years ended March 31, 2007 and 2008, are as follows:

|      | Beginning<br>of Year<br>Liability | Current Year<br>Claims and<br>Changes in<br>Estimates | Claim<br>Payments | End of Year<br>Liability |
|------|-----------------------------------|---|-------------------|--------------------------|
| 2007 | \$16,867                          | \$1,046,905   | \$982,383         | \$81,389                 |
| 2008 | 81,389                            | 1,629,281   | 1,615,671         | 94,999                   |

# SAGINAW CHARTER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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### E. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any potential claims associated with these risks and has had no claims that exceeded the insurance coverage during the past three years.

Property and Liability: Saginaw Charter Township entered into a Joint Exercise of Powers Agreement with the Michigan Municipal Risk Management Authority (“MMRMA”) on July 19, 1985. Net assets of \$361,207 represent Saginaw Charter Township’s equity in the Authority which is recorded in the Internal Service Funds. Liabilities of the fund include \$31,810 in estimated claims that were incurred but not reported (“IBNR”) on March 31, 2008.

The changes in the claims liability for the years ended March 31, 2007 and 2008, are as follows:

|      | Beginning<br>of Year<br>Liability | Current Year<br>Claims and<br>Changes in<br>Estimates | Claim<br>Payments | End of Year<br>Liability |
|------|-----------------------------------|---|-------------------|--------------------------|
| 2007 | \$10,855                          | \$18,749  | \$20,811          | \$8,793                  |
| 2008 | 8,793                             | 42,678  | 19,661            | 31,810                   |

Currently, the Township self insures the first \$100,000 for each liability claim. After the first \$100,000 and up to \$15,000,000, the Michigan Municipal Risk Management Authority (“MMRMA”) is responsible for the claims. Each property claim is self insured by the Township for 10% of the first \$100,000 after a \$1,000 deductible. A stop loss coverage through the MMRMA protects the Township from aggregate liability claims exceeding \$221,000. The revenues for this fund’s operation are reimbursements from various funds. The funds are charged for general liability insurance based on number of employees, previous claims, number of vehicles and other pertinent information. Losses, damages and administrative expenses are all paid from this fund.

There were no significant reductions in insurance coverage from the prior year and there were no insurance settlements exceeding insurance coverage in any of the past three years for either the health benefit or property and liability insurance.

# **SAGINAW CHARTER TOWNSHIP**

## **NOTES TO FINANCIAL STATEMENTS**

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### **F. PROPERTY TAXES**

Township property taxes are attached as an enforceable lien on property as of December 1 and recorded in the Township ledgers as receivables as of that date. Township taxes are levied December 1 and are due without penalty on or before February 14. The December tax bills include the Township's own property taxes, special assessments and taxes billed on behalf of Saginaw County.

Real property and special assessment taxes not collected as of March 1 are turned over to Saginaw County for collection, which advances the Township 100% for those delinquent taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer.

Property taxes levied in December of each year and collected within sixty days after the fiscal year-end are recognized as revenue in that fiscal year.

The Township acts as a collection agent for Saginaw County, Saginaw Intermediate Schools, Delta College and Saginaw Charter Township Community Schools for property taxes.

Taxes collected on behalf of the school districts and Saginaw County are turned over to the districts and the County following collection and are accounted for in designated agency funds.

### **G. COMMITMENTS AND CONTINGENCIES**

In the normal course of its activities, the Township is a party to various legal actions. After taking into consideration legal counsel's evaluation of pending actions, the Township is of the opinion that the potential claims not covered by insurance will not have a material effect on the financial statements.

In addition, the Township has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any required reimbursements would not be material.

\* \* \* \* \*

## **REQUIRED SUPPLEMENTARY INFORMATION**



## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF FUNDING PROGRESS

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)-<br>Entry Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered<br>Payroll<br>([b-a]/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 2008                           | \$ 501,070                             | \$6,429,545   | \$5,928,485                        | 7.8%                     | N/A                       | N/A   |

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

|   | Year<br>Ended<br>March 31, | Annual<br>Required<br>Contribution | Percentage<br>Contributed |
|---|----------------------------|------------------------------------|---------------------------|
| * | 2008                       | -                                  | N/A                       |

\* GASB 45 will be implemented for the year ended March 31, 2009.

## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

These financial statements provide a more detailed view of the  
“Basic Financial Statements” presented in the preceding  
subsection.

Combining statements are presented when there are more than one  
fund of a given fund type. Individual fund statements are presented  
when there is only one fund of a given type. They are also  
necessary to present budgetary comparisons.

## **GENERAL FUND**

The General Fund accounts for all revenues and expenditures used to finance the traditional services associated with Township government, which are not accounted for in other funds. In the Township these services include elections, data processing, motor pool, parks, public services, library and general administration services, and any other activity for which a special fund has not been created.

**SAGINAW CHARTER TOWNSHIP  
GENERAL FUND  
SCHEDULE OF REVENUES  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2008**

|  | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b>    | <b>Over<br/>(Under)<br/>Budget</b> |
|--|----------------------------|---------------------------|------------------|------------------------------------|
| <b>Taxes</b>                               |                            |                           |                  |                                    |
| Operating                                  | \$ 1,278,897               | \$ 1,278,897              | \$ 1,258,949     | \$ (19,948)                        |
| Administration fee                         | 446,000                    | 446,000                   | 453,328          | 7,328                              |
| Interest and penalties on delinquent taxes | 5,000                      | 5,000                     | 11,037           | 6,037                              |
| <b>Total Taxes</b>                         | <b>1,729,897</b>           | <b>1,729,897</b>          | <b>1,723,314</b> | <b>(6,583)</b>                     |
| <b>Licenses and Permits</b>                |                            |                           |                  |                                    |
| Ordinance 229 fees-Business                | 20,000                     | 20,000                    | 22,120           | 2,120                              |
| Mobile Home fees                           | 4,000                      | 4,000                     | 4,064            | 64                                 |
| Peddler's permits                          | 500                        | 500                       | 1,900            | 1,400                              |
| Miscellaneous                              | -                          | 500                       | 710              | 210                                |
| Franchise fees                             | 444,500                    | 444,000                   | 488,751          | 44,751                             |
| <b>Total Licenses and Permits</b>          | <b>469,000</b>             | <b>469,000</b>            | <b>517,545</b>   | <b>48,545</b>                      |
| <b>Intergovernmental</b>                   |                            |                           |                  |                                    |
| Sales tax - constitutional                 | 2,750,000                  | 2,750,000                 | 2,711,564        | (38,436)                           |
| Sales tax - Statutory                      | 200,000                    | 200,000                   | 248,324          | 48,324                             |
| <b>Total Intergovernmental - State</b>     | <b>2,950,000</b>           | <b>2,950,000</b>          | <b>2,959,888</b> | <b>9,888</b>                       |
| <b>Charges For Services</b>                |                            |                           |                  |                                    |
| Recreation fees                            | 247,500                    | 274,500                   | 289,621          | 15,121                             |
| Sales                                      | 450                        | 450                       | 1,556            | 1,106                              |
| Administration fees                        | 5,000                      | 5,000                     | 3,879            | (1,121)                            |
| Zoning fees                                | 5,000                      | 5,000                     | 9,473            | 4,473                              |
| Site review fees                           | 8,000                      | 8,000                     | 5,635            | (2,365)                            |
| Weed cutting                               | 2,500                      | 2,500                     | 998              | (1,502)                            |
| Other                                      | 100                        | 100                       | 875              | 775                                |
| <b>Total Charges For Services</b>          | <b>268,550</b>             | <b>295,550</b>            | <b>312,037</b>   | <b>16,487</b>                      |
| <b>Fines and Forfeits</b>                  |                            |                           |                  |                                    |
| Parking                                    | 35,000                     | 35,000                    | 42,491           | 7,491                              |
| Circuit Court                              | 75,000                     | 90,000                    | 119,558          | 29,558                             |
| Ordinance                                  | 3,000                      | 3,000                     | 1,710            | (1,290)                            |
| <b>Total Fines and Forfeits</b>            | <b>113,000</b>             | <b>128,000</b>            | <b>163,759</b>   | <b>35,759</b>                      |
| <b>Special Assessments</b>                 |                            |                           |                  |                                    |
| Street Lighting                            | 333,000                    | 354,000                   | 363,633          | 9,633                              |
| Other                                      | 25,000                     | 25,000                    | 50,901           | 25,901                             |
| <b>Total Special Assessments</b>           | <b>358,000</b>             | <b>379,000</b>            | <b>414,534</b>   | <b>35,534</b>                      |

(Continued)

**SAGINAW CHARTER TOWNSHIP  
GENERAL FUND  
SCHEDULE OF REVENUES  
BUDGET TO ACTUAL (CONTINUED)  
FOR THE YEAR ENDED MARCH 31, 2008**

|                           | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b>  | <b>Actual</b>              | <b>Over<br/>(Under)<br/>Budget</b> |
|---------------------------|----------------------------|----------------------------|----------------------------|------------------------------------|
| Interest                  | <u>\$ 130,000</u>          | <u>\$ 151,000</u>          | <u>\$ 227,481</u>          | <u>\$ 76,481</u>                   |
| Other                     |                            |                            |                            |                                    |
| Vehicles and equipment    | 3,000                      | 8,000                      | 8,311                      | 311                                |
| Rent                      | 71,000                     | 78,000                     | 78,351                     | 351                                |
| Donations-private sources | 1,000                      | 13,900                     | 13,870                     | (30)                               |
| Other miscellaneous       | <u>66,270</u>              | <u>112,915</u>             | <u>138,525</u>             | <u>25,610</u>                      |
| Total Other               | <u>141,270</u>             | <u>212,815</u>             | <u>239,057</u>             | <u>26,242</u>                      |
| Total Revenues            | <u><u>\$ 6,159,717</u></u> | <u><u>\$ 6,315,262</u></u> | <u><u>\$ 6,557,615</u></u> | <u><u>\$ 242,353</u></u>           |

**SAGINAW CHARTER TOWNSHIP  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2008**

|                                   | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b> | <b>Over<br/>(Under)<br/>Budget</b> |
|-----------------------------------|----------------------------|---------------------------|---------------|------------------------------------|
| General Government                |                            |                           |               |                                    |
| Township Board                    |                            |                           |               |                                    |
| Fees and per diem                 | \$ 9,888                   | \$ 9,888                  | \$ 9,687      | \$ (201)                           |
| Supplies                          | 14,250                     | 14,250                    | 15,080        | 830                                |
| Dues and conferences              | 10,950                     | 11,550                    | 10,965        | (585)                              |
| Total Township Board              | 35,088                     | 35,688                    | 35,732        | 44                                 |
| Township Supervisor               |                            |                           |               |                                    |
| Salaries and wages                | 46,671                     | 48,182                    | 48,129        | (53)                               |
| Miscellaneous                     | 2,400                      | 2,400                     | 1,716         | (684)                              |
| Total Township Supervisor         | 49,071                     | 50,582                    | 49,845        | (737)                              |
| Township Manager                  |                            |                           |               |                                    |
| Salaries and wages                | 147,670                    | 154,600                   | 146,553       | (8,047)                            |
| Supplies                          | 2,750                      | 2,750                     | 2,535         | (215)                              |
| Contractual service               | 4,000                      | 2,500                     | -             | (2,500)                            |
| Repairs and maintenance           | 300                        | 300                       | 214           | (86)                               |
| Education and training            | 5,000                      | 5,000                     | 5,689         | 689                                |
| Miscellaneous                     | 950                        | 950                       | 991           | 41                                 |
| Total Township Manager            | 160,670                    | 166,100                   | 155,982       | (10,118)                           |
| Fiscal Services                   |                            |                           |               |                                    |
| Salaries and wages                | 176,121                    | 186,677                   | 186,209       | (468)                              |
| Supplies                          | 750                        | 750                       | 1,467         | 717                                |
| Education and training            | 1,500                      | 1,500                     | 633           | (867)                              |
| Miscellaneous                     | 300                        | 300                       | 28            | (272)                              |
| Total Fiscal Services             | 178,671                    | 189,227                   | 188,337       | (890)                              |
| Elections/Clerk                   |                            |                           |               |                                    |
| Elections                         |                            |                           |               |                                    |
| Salaries and wages                | 43,115                     | 77,427                    | 78,254        | 827                                |
| Supplies                          | 8,500                      | 13,500                    | 13,766        | 266                                |
| Computer services and maintenance | 1,000                      | 1,000                     | 686           | (314)                              |
| Education and training            | 200                        | 200                       | 20            | (180)                              |
| Miscellaneous                     | 700                        | 700                       | 1,231         | 531                                |
| Equipment                         | -                          | 3,645                     | 3,645         | -                                  |
| Clerk                             |                            |                           |               |                                    |
| Salaries                          | 65,232                     | 66,151                    | 65,693        | (458)                              |
| Supplies                          | 4,000                      | 4,000                     | 3,102         | (898)                              |
| Codification and indexing         | 4,000                      | 1,000                     | 1,310         | 310                                |
| Education and training            | 3,400                      | 3,400                     | 4,268         | 868                                |
| Miscellaneous                     | 200                        | 200                       | 269           | 69                                 |
| Equipment Repairs                 | 2,850                      | 2,850                     | 1,870         | (980)                              |
| Total Elections/Clerk             | 133,197                    | 174,073                   | 174,114       | 41                                 |

(Continued)

**SAGINAW CHARTER TOWNSHIP  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL (CONTINUED)  
FOR THE YEAR ENDED MARCH 31, 2008**

|                          | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b> | <b>Over<br/>(Under)<br/>Budget</b> |
|--------------------------|----------------------------|---------------------------|---------------|------------------------------------|
| Data Processing          |                            |                           |               |                                    |
| Consultant services      | \$ 38,600                  | \$ 13,100                 | \$ 10,763     | \$ (2,337)                         |
| Repairs and maintenance  | 9,000                      | 7,000                     | 3,720         | (3,280)                            |
| Supplies                 | 5,650                      | 55,390                    | 54,088        | (1,302)                            |
| Education and training   | -                          | -                         | 1,900         | 1,900                              |
| Web hosting              | -                          | -                         | 23            | 23                                 |
| Internet services        | 6,100                      | 6,100                     | 9,301         | 3,201                              |
| Total Data Processing    | 59,350                     | 81,590                    | 79,795        | (1,795)                            |
| Assessors                |                            |                           |               |                                    |
| Salaries and wages       | 281,308                    | 294,401                   | 293,339       | (1,062)                            |
| Supplies                 | 14,350                     | 14,350                    | 14,479        | 129                                |
| Contractual services     | 1,000                      | 1,000                     | -             | (1,000)                            |
| Miscellaneous            | 500                        | 500                       | 1,451         | 951                                |
| Repairs and maintenance  | 1,000                      | 1,000                     | 285           | (715)                              |
| Education and training   | 4,030                      | 4,030                     | 3,740         | (290)                              |
| Equipment                | 2,300                      | 2,300                     | 2,550         | 250                                |
| Total Assessors          | 304,488                    | 317,581                   | 315,844       | (1,737)                            |
| Township Attorney        | 81,000                     | 93,000                    | 91,681        | (1,319)                            |
| Board of Review          |                            |                           |               |                                    |
| Fees and per diem        | 2,400                      | 2,400                     | 2,320         | (80)                               |
| Miscellaneous            | 100                        | 150                       | 213           | 63                                 |
| Total Board of Review    | 2,500                      | 2,550                     | 2,533         | (17)                               |
| Treasurer's Office       |                            |                           |               |                                    |
| Salaries                 | 113,074                    | 121,784                   | 119,813       | (1,971)                            |
| Supplies                 | 1,300                      | 1,300                     | 2,311         | 1,011                              |
| Repairs and maintenance  | 200                        | 200                       | 115           | (85)                               |
| Education and training   | 1,200                      | 1,200                     | 1,229         | 29                                 |
| Miscellaneous            | 2,100                      | 2,100                     | 2,540         | 440                                |
| Equipment                | 500                        | 500                       | -             | (500)                              |
| Total Treasurer's Office | 118,374                    | 127,084                   | 126,008       | (1,076)                            |

(Continued)

**SAGINAW CHARTER TOWNSHIP  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL (CONTINUED)  
FOR THE YEAR ENDED MARCH 31, 2008**

|                                      | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b> | <b>Over<br/>(Under)<br/>Budget</b> |
|--------------------------------------|----------------------------|---------------------------|---------------|------------------------------------|
| Township Property                    |                            |                           |               |                                    |
| Salaries                             | \$ 21,000                  | \$ 21,000                 | \$ 20,372     | \$ (628)                           |
| Postage                              | 35,000                     | 35,000                    | 36,479        | 1,479                              |
| Operating supplies                   | 14,000                     | 14,000                    | 11,573        | (2,427)                            |
| Telephone                            | 20,000                     | 18,000                    | 14,190        | (3,810)                            |
| Insurance                            | 72,000                     | 69,000                    | 65,733        | (3,267)                            |
| Public utilities                     | 21,500                     | 24,500                    | 31,326        | 6,826                              |
| Repairs and maintenance              | 40,000                     | 37,000                    | 39,736        | 2,736                              |
| Miscellaneous                        | 1,300                      | 1,300                     | 80            | (1,220)                            |
| Total Township Property              | 224,800                    | 219,800                   | 219,489       | (311)                              |
| Motor Vehicle - Equipment Pool       |                            |                           |               |                                    |
| Supplies                             | 30,000                     | 33,500                    | 32,020        | (1,480)                            |
| Gas and oil                          | 9,200                      | 12,200                    | 8,929         | (3,271)                            |
| Repairs and maintenance              | 14,500                     | 14,500                    | 19,667        | 5,167                              |
| Insurance                            | 25,300                     | 25,300                    | 26,338        | 1,038                              |
| Rent                                 | 1,000                      | 1,000                     | -             | (1,000)                            |
| Miscellaneous                        | 1,250                      | 1,250                     | 1,061         | (189)                              |
| Equipment                            | 82,000                     | 82,000                    | 80,795        | (1,205)                            |
| Total Motor Vehicle - Equipment Pool | 163,250                    | 169,750                   | 168,810       | (940)                              |
| Total General Government             | 1,510,459                  | 1,627,025                 | 1,608,170     | (18,855)                           |
| Public Safety                        |                            |                           |               |                                    |
| Parking Enforcement                  |                            |                           |               |                                    |
| Salaries                             | 26,871                     | 26,871                    | 25,008        | (1,863)                            |
| Supplies                             | 500                        | 2,599                     | 2,280         | (319)                              |
| Miscellaneous                        | 4,000                      | 5,500                     | 8,837         | 3,337                              |
| Equipment                            | 17,500                     | 17,500                    | 16,240        | (1,260)                            |
| Total Parking Enforcement            | 48,871                     | 52,470                    | 52,365        | (105)                              |
| Housing Inspection                   |                            |                           |               |                                    |
| Services-maintenance                 | 20,000                     | 12,000                    | 11,255        | (745)                              |



**SAGINAW CHARTER TOWNSHIP  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL (CONTINUED)  
FOR THE YEAR ENDED MARCH 31, 2008**

|                                   | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b> | <b>Over<br/>(Under)<br/>Budget</b> |
|-----------------------------------|----------------------------|---------------------------|---------------|------------------------------------|
| Planning                          |                            |                           |               |                                    |
| Planning Department:              |                            |                           |               |                                    |
| Salaries and wages                | \$ 245,716                 | \$ 247,023                | \$ 240,093    | \$ (6,930)                         |
| Operating supplies                | 5,400                      | 5,400                     | 5,003         | (397)                              |
| Contractual services              | 39,500                     | 35,500                    | 35,433        | (67)                               |
| Development plan                  | 10,000                     | 500                       | 302           | (198)                              |
| Education and training            | 6,000                      | 6,000                     | 5,318         | (682)                              |
| Miscellaneous                     | 10,500                     | 10,500                    | 6,616         | (3,884)                            |
| Zoning Board of Appeals:          |                            |                           |               |                                    |
| Wages                             | 2,880                      | 1,380                     | 1,050         | (330)                              |
| Education and training            | 500                        | 500                       | 546           | 46                                 |
| Total Planning                    | 320,496                    | 306,803                   | 294,361       | (12,442)                           |
| Total Public Safety               | 389,367                    | 371,273                   | 357,981       | (13,292)                           |
| Highway and Streets               |                            |                           |               |                                    |
| Dept. of Public Services          |                            |                           |               |                                    |
| Salaries                          | 357,220                    | 474,164                   | 456,950       | (17,214)                           |
| Operating supplies                | 14,500                     | 14,500                    | 9,847         | (4,653)                            |
| Contractual services              | 8,500                      | 8,500                     | 9,020         | 520                                |
| Education and training            | 1,500                      | 1,500                     | 528           | (972)                              |
| Miscellaneous                     | 750                        | 750                       | 459           | (291)                              |
| Total of Dept. of Public Services | 382,470                    | 499,414                   | 476,804       | (22,610)                           |
| Sidewalks                         |                            |                           |               |                                    |
| Engineering fees                  | -                          | -                         | -             | -                                  |
| Pathway construction              | 155,000                    | 209,350                   | 210,166       | 816                                |
| Repairs                           | 2,500                      | 2,500                     | 1,684         | (816)                              |
| Miscellaneous                     | -                          | -                         | -             | -                                  |
| Total Sidewalks                   | 157,500                    | 211,850                   | 211,850       | -                                  |
| Road Construction and Resurfacing |                            |                           |               |                                    |
| County Road Commission            | 193,500                    | 178,500                   | 171,468       | (7,032)                            |
| Street Lighting                   | 355,000                    | 418,000                   | 417,996       | (4)                                |
| Total Highway and Streets         | 1,088,470                  | 1,307,764                 | 1,278,118     | (29,646)                           |
| Public Works                      |                            |                           |               |                                    |
| Drains - Public Benefit           |                            |                           |               |                                    |
| Storm Water Authority             | 22,000                     | 22,000                    | 17,135        | (4,865)                            |
| Drains-at-large                   | 15,000                     | 48,350                    | 53,215        | 4,865                              |
| Total Drains - Public Benefit     | 37,000                     | 70,350                    | 70,350        | -                                  |
| Total Public Works                | 37,000                     | 70,350                    | 70,350        | -                                  |

**SAGINAW CHARTER TOWNSHIP  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL (CONTINUED)  
FOR THE YEAR ENDED MARCH 31, 2008**

|  | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b>       | <b>Over<br/>(Under)<br/>Budget</b> |
|--|----------------------------|---------------------------|---------------------|------------------------------------|
| Recreation and Cultural                |                            |                           |                     |                                    |
| Parks and Recreation                   |                            |                           |                     |                                    |
| Salaries                               | \$ 412,889                 | \$ 414,620                | \$ 427,149          | \$ 12,529                          |
| Officials                              | 97,000                     | 97,000                    | 88,289              | (8,711)                            |
| Operating supplies                     | 55,800                     | 45,800                    | 35,479              | (10,321)                           |
| Contractual services                   | 10,000                     | 10,000                    | 9,303               | (697)                              |
| Public utilities                       | 46,000                     | 43,000                    | 43,427              | 427                                |
| Repairs and maintenance - equipment    | 134,400                    | 134,400                   | 127,303             | (7,097)                            |
| Miscellaneous                          | 4,200                      | 4,200                     | 2,888               | (1,312)                            |
| Education and training                 | 1,250                      | 1,250                     | 263                 | (987)                              |
| Center Courts                          |                            |                           |                     |                                    |
| Salaries                               | 113,000                    | 108,572                   | 117,726             | 9,154                              |
| Operating supplies                     | 16,000                     | 16,000                    | 9,613               | (6,387)                            |
| Contractual services                   | 13,500                     | 13,500                    | 11,254              | (2,246)                            |
| Public utilities                       | 53,500                     | 53,500                    | 56,457              | 2,957                              |
| Repairs and maintenance                | 35,000                     | 35,000                    | 25,069              | (9,931)                            |
| Equipment                              | 65,600                     | 78,300                    | 84,579              | 6,279                              |
| Miscellaneous                          | 1,950                      | 1,950                     | 449                 | (1,501)                            |
| Total Parks and Recreation             | <u>1,060,089</u>           | <u>1,057,092</u>          | <u>1,039,248</u>    | <u>(17,844)</u>                    |
| Library                                |                            |                           |                     |                                    |
| Salaries - maintenance                 | 21,000                     | 21,000                    | 18,095              | (2,905)                            |
| Supplies - operating                   | 3,500                      | 3,500                     | 5,059               | 1,559                              |
| Services - Public Libraries of Saginaw | 674,100                    | 674,100                   | 674,100             | -                                  |
| Public utilities                       | 26,000                     | 26,000                    | 21,697              | (4,303)                            |
| Repairs and maintenance                | 32,500                     | 31,000                    | 26,262              | (4,738)                            |
| Total Library                          | <u>757,100</u>             | <u>755,600</u>            | <u>745,213</u>      | <u>(10,387)</u>                    |
| Total Recreation and Cultural          | <u>1,817,189</u>           | <u>1,812,692</u>          | <u>1,784,461</u>    | <u>(28,231)</u>                    |
| Other                                  |                            |                           |                     |                                    |
| Employee Benefits:                     |                            |                           |                     |                                    |
| Social security - Township share       | 160,900                    | 160,900                   | 157,235             | (3,665)                            |
| Health insurance - cash benefit        | 9,475                      | 9,475                     | 10,600              | 1,125                              |
| Hospitalization insurance              | 439,496                    | 439,496                   | 439,488             | (8)                                |
| Life insurance                         | 6,468                      | 6,468                     | 6,468               | -                                  |
| Disability insurance                   | 24,237                     | 24,237                    | 24,158              | (79)                               |
| Retirement contribution                | 313,086                    | 313,086                   | 301,525             | (11,561)                           |
| Unemployment compensation              | 5,000                      | 4,350                     | 4,279               | (71)                               |
| Workmen's compensation insurance       | 35,446                     | 35,446                    | 40,506              | 5,060                              |
| Less workmen's comp. dividend          | (4,000)                    | (4,000)                   | (6,098)             | (2,098)                            |
| Total Employee Benefits                | <u>990,108</u>             | <u>989,458</u>            | <u>978,161</u>      | <u>(11,297)</u>                    |
| Transit Service                        | <u>40,000</u>              | <u>40,000</u>             | <u>38,539</u>       | <u>(1,461)</u>                     |
| Other functions                        | <u>116,471</u>             | <u>26,000</u>             | <u>26,900</u>       | <u>900</u>                         |
| Total Other                            | <u>1,146,579</u>           | <u>1,055,458</u>          | <u>1,043,600</u>    | <u>(11,858)</u>                    |
| Total Expenditures                     | <u>\$ 5,989,064</u>        | <u>\$ 6,244,562</u>       | <u>\$ 6,142,680</u> | <u>\$ (101,882)</u>                |

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for revenues derived from specific taxes or other “earmarked” revenue sources. The Township utilizes the following special revenue funds:

#### **Police Block Grant Fund**

This fund was established in 1997 to account for the receipt and expenditure of Federal Block Grant funds earmarked for police equipment.

#### **Community Development Fund**

This fund was established in April 2000 to comply with regulations issued for compliance with PA 245 of Michigan Public Acts of 1999. It accounts for the revenues and expenditures for construction site plan review, inspection, code enforcement and zoning administration.

#### **Fire Improvement Fund**

This fund was established in 1983 to purchase fire equipment, construct fire stations and other major capital outlay. Funding is currently received from the fire protection tax levy.

#### **Art in Public Places Fund**

This fund is used to account for private donations received to fund an annual art show and display art works throughout the year at the township office.

#### **Parks Patron Fund**

This fund is used to account for private donations for parks and recreation projects.

### **CAPITAL PROJECT FUNDS**

#### **Special Assessment Revolving Fund**

This fund was established by the 1985-86 budget resolution to receive transfers from the General Fund consisting of balances on closed out water and sewer special assessment debt service funds. These monies are used to finance construction of public improvement supported by special assessments.

#### **Parks Fund**

This fund was established to construct park improvements from the proceeds of the sale of property adjacent to the Harvey Randall Wickes Recreational Complex.

#### **Public Improvement Fund**

This fund was created to receive transfers from the General Fund consisting of balances on closed out road special assessment debt service funds. Funds are to be used for construction of road and drainage projects.

**SAGINAW CHARTER TOWNSHIP  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2008**

| <u>Assets</u>                                  | Special Revenue Funds    |                          |                     |                            |                 |
|--|--------------------------|--------------------------|---------------------|----------------------------|-----------------|
|  | Police<br>Block<br>Grant | Community<br>Development | Fire<br>Improvement | Art In<br>Public<br>Places | Parks<br>Patron |
| Cash and cash equivalents                      | \$ 7,279                 | \$ 35,454                | \$ 337,445          | \$ 9,201                   | \$ 2,150        |
| Investments                                    | 2,847                    | 7,017                    | 140,342             | -                          | 841             |
| Taxes receivable                               | -                        | -                        | 24,714              | -                          | -               |
| Special assessments receivable - delinquent    | -                        | -                        | -                   | -                          | -               |
| Special assessments receivable - other         | -                        | -                        | -                   | -                          | -               |
| Prepaid expenditures                           | -                        | 2,280                    | -                   | 261                        | -               |
| <u>Total Assets</u>                            | <u>\$ 10,126</u>         | <u>\$ 44,751</u>         | <u>\$ 502,501</u>   | <u>\$ 9,462</u>            | <u>\$ 2,991</u> |
| <u>Liabilities and Fund Balances</u>           |                          |                          |                     |                            |                 |
| Liabilities                                    |                          |                          |                     |                            |                 |
| Accounts payable                               | -                        | 30                       | -                   | -                          | -               |
| Deferred revenue                               | 9,983                    | -                        | -                   | -                          | -               |
| Total Liabilities                              | 9,983                    | 30                       | -                   | -                          | -               |
| Fund Balances                                  |                          |                          |                     |                            |                 |
| Reserved for prepaid items                     | -                        | 2,280                    | -                   | 261                        | -               |
| Unreserved:                                    |                          |                          |                     |                            |                 |
| Undesignated                                   | 143                      | 42,441                   | 502,501             | 9,201                      | 2,991           |
| Total Fund Balances                            | 143                      | 44,721                   | 502,501             | 9,462                      | 2,991           |
| <u>Total Liabilities And<br/>Fund Balances</u> | <u>\$ 10,126</u>         | <u>\$ 44,751</u>         | <u>\$ 502,501</u>   | <u>\$ 9,462</u>            | <u>\$ 2,991</u> |

Capitol Projects Funds

|       | Parks  |    | Public<br>Improvement |    | Total   |
|-------|--------|----|-----------------------|----|---------|
| \$    | 20,087 | \$ | 67,358                | \$ | 478,974 |
|       | 7,856  |    | 13,607                |    | 172,510 |
|       | -      |    | -                     |    | 24,714  |
|       | -      |    | -                     |    | -       |
|       | -      |    | -                     |    | -       |
|       | -      |    | -                     |    | 2,541   |
| <hr/> |        |    |                       |    |         |
| \$    | 27,943 | \$ | 80,965                | \$ | 678,739 |
| <hr/> |        |    |                       |    |         |
|       | -      |    | -                     | \$ | 30      |
|       | -      |    | -                     |    | 9,983   |
| <hr/> |        |    |                       |    |         |
|       | -      |    | -                     |    | 10,013  |
| <hr/> |        |    |                       |    |         |
|       | -      |    | -                     |    | 2,541   |
|       | 27,943 |    | 80,965                |    | 666,185 |
| <hr/> |        |    |                       |    |         |
|       | 27,943 |    | 80,965                |    | 668,726 |
| <hr/> |        |    |                       |    |         |
| \$    | 27,943 | \$ | 80,965                | \$ | 678,739 |
| <hr/> |        |    |                       |    |         |

**SAGINAW CHARTER TOWNSHIP  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2008**

|                                      | Special Revenue Funds    |                          |                     |                            |                 |
|--------------------------------------|--------------------------|--------------------------|---------------------|----------------------------|-----------------|
|                                      | Police<br>Block<br>Grant | Community<br>Development | Fire<br>Improvement | Art In<br>Public<br>Places | Parks<br>Patron |
| Revenues                             |                          |                          |                     |                            |                 |
| Taxes                                | \$ -                     | \$ -                     | \$ 422,494          | \$ -                       | \$ -            |
| Licenses and permits                 | -                        | 231,544                  | -                   | -                          | -               |
| Intergovernmental revenue:           |                          |                          |                     |                            |                 |
| Federal sources                      | 3,816                    | -                        | -                   | -                          | -               |
| Local grant                          | -                        | -                        | -                   | -                          | -               |
| Charges for services                 | -                        | -                        | -                   | 1,770                      | -               |
| Interest earnings                    | 331                      | 1,641                    | 12,786              | 431                        | 131             |
| Donations                            | -                        | -                        | -                   | 3,850                      | 100             |
| Miscellaneous                        | -                        | 170                      | -                   | -                          | -               |
| Total Revenues                       | 4,147                    | 233,355                  | 435,280             | 6,051                      | 231             |
| Expenditures                         |                          |                          |                     |                            |                 |
| Current:                             |                          |                          |                     |                            |                 |
| Public safety                        | 4,239                    | -                        | 504,250             | -                          | -               |
| Public works                         | -                        | -                        | -                   | -                          | -               |
| Community Development                | -                        | 429,561                  | -                   | -                          | -               |
| Culture and Recreation               | -                        | -                        | -                   | 5,111                      | -               |
| Total Expenditures                   | 4,239                    | 429,561                  | 504,250             | 5,111                      | -               |
| Revenues Over (Under) Expenditures   | (92)                     | (196,206)                | (68,970)            | 940                        | 231             |
| Other Financing Sources (Uses)       |                          |                          |                     |                            |                 |
| Transfers in                         | -                        | 239,865                  | -                   | 500                        | -               |
| Transfers (out)                      | -                        | (36,827)                 | -                   | -                          | -               |
| Total Other Financing Sources (Uses) | -                        | 203,038                  | -                   | 500                        | -               |
| Net change in fund balances          | (92)                     | 6,832                    | (68,970)            | 1,440                      | 231             |
| Fund balances, beginning of year     | 235                      | 37,889                   | 571,471             | 8,022                      | 2,760           |
| Fund balances, end of year           | \$ 143                   | \$ 44,721                | \$ 502,501          | \$ 9,462                   | \$ 2,991        |

| Capital Projects Funds |                       |            |
|------------------------|-----------------------|------------|
| Parks                  | Public<br>Improvement | Total      |
| \$ -                   | \$ -                  | \$ 422,494 |
| -                      | -                     | 231,544    |
| -                      | -                     | 3,816      |
| 55,000                 | -                     | 55,000     |
| -                      | 187,838               | 189,608    |
| 1,068                  | 5,443                 | 21,831     |
| -                      | -                     | 3,950      |
| -                      | -                     | 170        |
| 56,068                 | 193,281               | 928,413    |
| -                      | -                     | 508,489    |
| -                      | -                     | -          |
| -                      | -                     | 429,561    |
| 69,725                 | -                     | 74,836     |
| 69,725                 | -                     | 1,012,886  |
| (13,657)               | 193,281               | (84,473)   |
| -                      | -                     | 240,365    |
| -                      | (233,896)             | (270,723)  |
| -                      | (233,896)             | (30,358)   |
| (13,657)               | (40,615)              | (114,831)  |
| 41,600                 | 121,580               | 783,557    |
| \$ 27,943              | \$ 80,965             | \$ 668,726 |

**SAGINAW CHARTER TOWNSHIP  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
POLICE BLOCK GRANT  
FOR THE YEAR ENDED MARCH 31, 2008**

|                                  | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b> | <b>Over<br/>(Under)<br/>Budget</b> |
|----------------------------------|----------------------------|---------------------------|---------------|------------------------------------|
| Revenues                         |                            |                           |               |                                    |
| Federal grants                   | \$ 3,014                   | \$ 3,740                  | \$ 3,816      | 76                                 |
| Interest and rent                | 100                        | 275                       | 331           | 56                                 |
| Total Revenues                   | 3,114                      | 4,015                     | 4,147         | 132                                |
| Expenditures                     |                            |                           |               |                                    |
| Public safety                    | 3,114                      | 4,250                     | 4,239         | (11)                               |
| Net Change in Fund Balances      | -                          | (235)                     | (92)          | 143                                |
| Fund Balances, Beginning of Year | 235                        | 235                       | 235           | -                                  |
| Fund Balances, End of Year       | <u>\$ 235</u>              | <u>\$ -</u>               | <u>\$ 143</u> | <u>\$ 143</u>                      |



**SAGINAW CHARTER TOWNSHIP**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT**  
**FOR THE YEAR ENDED MARCH 31, 2008**

|                                      | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b>    | <b>Over<br/>(Under)<br/>Budget</b> |
|--------------------------------------|----------------------------|---------------------------|------------------|------------------------------------|
| Revenues                             |                            |                           |                  |                                    |
| Licenses and permits                 | \$ 229,900                 | \$ 229,900                | \$ 231,544       | \$ 1,644                           |
| Interest and rent                    | 2,500                      | 2,500                     | 1,641            | (859)                              |
| Miscellaneous                        | -                          | -                         | 170              | 170                                |
| Total Revenues                       | 232,400                    | 232,400                   | 233,355          | 955                                |
| Expenditures                         |                            |                           |                  |                                    |
| Salaries and wages                   | 390,982                    | 409,269                   | 409,357          | 88                                 |
| Contractual services                 | 6,000                      | 6,000                     | 3,962            | (2,038)                            |
| Supplies                             | 2,500                      | 2,500                     | 1,871            | (629)                              |
| Repairs and maintenance              | 700                        | 700                       | 38               | (662)                              |
| Training and education               | 8,000                      | 8,000                     | 7,327            | (673)                              |
| Miscellaneous                        | 6,666                      | 6,666                     | 7,006            | 340                                |
| Capital outlay                       | 3,000                      | 3,000                     | -                | (3,000)                            |
| Total Expenditures                   | 417,848                    | 436,135                   | 429,561          | (6,574)                            |
| Revenues Over (Under) Expenditures   | (185,448)                  | (203,735)                 | (196,206)        | 7,529                              |
| Other Financing Sources (Uses)       |                            |                           |                  |                                    |
| Transfers in                         | 221,578                    | 239,865                   | 239,865          | -                                  |
| Transfers (out)                      | (36,130)                   | (36,130)                  | (36,827)         | (697)                              |
| Total Other Financing Sources (Uses) | 185,448                    | 203,735                   | 203,038          | (697)                              |
| Net Change in Fund Balances          | -                          | -                         | 6,832            | 6,832                              |
| Fund Balances, Beginning of Year     | 37,889                     | 37,889                    | 37,889           | -                                  |
| Fund Balances, End of Year           | <u>\$ 37,889</u>           | <u>\$ 37,889</u>          | <u>\$ 44,721</u> | <u>\$ 6,832</u>                    |

**SAGINAW CHARTER TOWNSHIP**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FIRE IMPROVEMENT**  
**FOR THE YEAR ENDED MARCH 31, 2008**

|                                  | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b>     | <b>Over<br/>(Under)<br/>Budget</b> |
|----------------------------------|----------------------------|---------------------------|-------------------|------------------------------------|
| Revenues                         |                            |                           |                   |                                    |
| Current property taxes           | \$ 429,000                 | \$ 429,000                | \$ 422,494        | \$ (6,506)                         |
| Interest and rent                | 2,000                      | 5,250                     | 12,786            | 7,536                              |
| Total Revenues                   | 431,000                    | 434,250                   | 435,280           | 1,030                              |
| Expenditures                     |                            |                           |                   |                                    |
| Public safety                    | 475,000                    | 504,250                   | 504,250           | -                                  |
| Net Change in Fund Balances      | (44,000)                   | (70,000)                  | (68,970)          | 1,030                              |
| Fund Balances, Beginning of Year | 571,471                    | 571,471                   | 571,471           | -                                  |
| Fund Balances, End of Year       | <u>\$ 527,471</u>          | <u>\$ 501,471</u>         | <u>\$ 502,501</u> | <u>\$ 1,030</u>                    |

**SAGINAW CHARTER TOWNSHIP  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ART IN PUBLIC PLACES  
FOR THE YEAR ENDED MARCH 31, 2008**

|                                    | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b>   | <b>Over<br/>(Under)<br/>Budget</b> |
|------------------------------------|----------------------------|---------------------------|-----------------|------------------------------------|
| Revenues                           |                            |                           |                 |                                    |
| Charges for services               | \$ 1,800                   | \$ 1,800                  | \$ 1,770        | \$ (30)                            |
| Interest and rent                  | 50                         | 50                        | 431             | 381                                |
| Donations                          | 2,700                      | 2,800                     | 3,850           | 1,050                              |
| Total Revenues                     | 4,550                      | 4,650                     | 6,051           | 1,401                              |
| Expenditures                       |                            |                           |                 |                                    |
| Culture and recreation             | 5,050                      | 5,150                     | 5,111           | (39)                               |
| Revenues Over (Under) Expenditures | (500)                      | (500)                     | 940             | 1,440                              |
| Other Financing Sources            |                            |                           |                 |                                    |
| Transfers in                       | 500                        | 500                       | 500             | -                                  |
| Net Change in Fund Balances        | -                          | -                         | 1,440           | 1,440                              |
| Fund Balances, Beginning of Year   | 8,022                      | 8,022                     | 8,022           | -                                  |
| Fund Balances, End of Year         | <u>\$ 8,022</u>            | <u>\$ 8,022</u>           | <u>\$ 9,462</u> | <u>\$ 1,440</u>                    |

**SAGINAW CHARTER TOWNSHIP  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
PARKS PATRON  
FOR THE YEAR ENDED MARCH 31, 2008**

|                                  | <b>Original<br/>Budget</b> | <b>Amended<br/>Budget</b> | <b>Actual</b>   | <b>Over<br/>(Under)<br/>Budget</b> |
|----------------------------------|----------------------------|---------------------------|-----------------|------------------------------------|
| Revenues                         |                            |                           |                 |                                    |
| Interest and rent                | \$ -                       | \$ -                      | \$ 131          | \$ 131                             |
| Interest and rent                |                            |                           |                 |                                    |
| Donations                        | -                          | -                         | 100             | 100                                |
| Total Revenues                   | -                          | -                         | 231             | 231                                |
| Expenditures                     |                            |                           |                 |                                    |
| Culture and recreation           | -                          | -                         | -               | -                                  |
| Net Change in Fund Balances      | -                          | -                         | 231             | 231                                |
| Fund Balances, Beginning of Year | -                          | -                         | 2,760           | 2,760                              |
| Fund Balances, End of Year       | <u>\$ -</u>                | <u>\$ -</u>               | <u>\$ 2,991</u> | <u>\$ 2,991</u>                    |

## **INTERNAL SERVICE FUNDS**

The Township uses the following internal service funds:

### **Health Benefit Fund**

This fund was created in 1981 to account for the receipt of revenues from the various operating funds of the Township to be used for payment of employee health benefits, short-term disability income, and third party processing costs and reinsurance.

### **MMRMA Self Insurance Fund**

This fund receives contributions from the other Township funds for property and liability self insurance and is used to account for transactions made on behalf of the Township by the Michigan Municipal Risk Management Authority.

**SAGINAW CHARTER TOWNSHIP  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
MARCH 31, 2008**

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| <u>Assets</u>             | Health<br>Benefit | MMRMA      | Total        |
|---------------------------|-------------------|------------|--------------|
| <hr/>                     |                   |            |              |
| Current Assets            |                   |            |              |
| Cash and cash equivalents | \$ 108,799        | \$ 393,017 | \$ 501,816   |
| Investments               | 836,153           | -          | 836,153      |
| Accounts receivable       | 175               | -          | 175          |
| Prepaid expenses          | 37,358            | -          | 37,358       |
|                           | <hr/>             |            |              |
| Total Assets              | 982,485           | 393,017    | 1,375,502    |
| <br>                      |                   |            |              |
| Current Liabilities       |                   |            |              |
| Accounts payable          | 94,999            | 31,810     | 126,809      |
|                           | <hr/>             |            |              |
| Net Assets                |                   |            |              |
| Unrestricted              | \$ 887,486        | \$ 361,207 | \$ 1,248,693 |
|                           | <hr/> <hr/>       |            |              |

**SAGINAW CHARTER TOWNSHIP**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2008**

|                                 | Health<br>Benefit | MMRMA      | Total        |
|---------------------------------|-------------------|------------|--------------|
| Operating Revenues              |                   |            |              |
| Charges for services            | \$ 1,340,467      | \$ 516,150 | \$ 1,856,617 |
| Miscellaneous                   | 129,099           | -          | 129,099      |
| Total Operating Revenues        | 1,469,566         | 516,150    | 1,985,716    |
| Operating Expenses              |                   |            |              |
| Administration and premiums     | -                 | 344,538    | 344,538      |
| Property and liability claims   | -                 | 26,924     | 26,924       |
| Health insurance benefit claims | 2,152,314         | -          | 2,152,314    |
| Total Operating Expenses        | 2,152,314         | 371,462    | 2,523,776    |
| Operating Income                | (682,748)         | 144,688    | (538,060)    |
| Nonoperating Revenue            |                   |            |              |
| Interest                        | 64,811            | 12,674     | 77,485       |
| Change in Net Assets            | (617,937)         | 157,362    | (460,575)    |
| Net Assets, Beginning of Year   | 1,505,423         | 203,845    | 1,709,268    |
| Net Assets, End of Year         | \$ 887,486        | \$ 361,207 | \$ 1,248,693 |

**SAGINAW CHARTER TOWNSHIP  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2008**

|   | Health<br>Benefit | MMRMA      | Total        |
|---|-------------------|------------|--------------|
| Cash Flows From Operating Activities  |                   |            |              |
| Cash received from customers  | \$ 129,099        | \$ -       | \$ 129,099   |
| Cash received from interfund services   | 1,450,267         | 516,150    | 1,966,417    |
| Cash payments to suppliers for goods and services   | (2,155,716)       | (348,445)  | (2,504,161)  |
| Net Cash Provided By (Used In)<br>Operating Activities  | (576,350)         | 167,705    | (408,645)    |
| Cash Flows From Investing Activities:   |                   |            |              |
| Sale of investments   | 157,794           | -          | 157,794      |
| Interest on investments   | 64,811            | 12,674     | 77,485       |
| Net Cash Provided By (Used In)<br>Investing Activities  | 222,605           | 12,674     | 235,279      |
| Net Increase (Decrease) in Cash<br>and Cash Equivalents   | (353,745)         | 180,379    | (173,366)    |
| Cash and Cash Equivalents, Beginning of Year  | 462,544           | 212,638    | 675,182      |
| Cash and Cash Equivalents, End of Year  | \$ 108,799        | \$ 393,017 | \$ 501,816   |
| Cash Flows From Operating Activities:   |                   |            |              |
| Operating income (loss)   | \$ (682,748)      | \$ 144,688 | \$ (538,060) |
| Adjustments to reconcile operating income (loss)<br>to net cash provided by operating activities: |                   |            |              |
| (Increase) decrease in assets:  |                   |            |              |
| Accounts receivable   | 109,800           | -          | 109,800      |
| Prepaid expenses  | (17,012)          | -          | (17,012)     |
| Increase (decrease) in liabilities:   |                   |            |              |
| Accounts payable  | 13,610            | 23,017     | 36,627       |
| Net Cash Provided By Operating Activities   | \$ (576,350)      | \$ 167,705 | \$ (408,645) |



## **FIDUCIARY FUNDS**

### **AGENCY FUNDS**

#### **Clearing Account**

This fund is used to account for monies deposited with the Treasurer but requiring disbursement to multiple funds or other entities.

#### **Current Tax Collections**

This fund is used to account for current property tax collections.

#### **Delinquent Tax Collections**

This fund is used to account for unpaid personal property taxes.

#### **Imprest Payroll**

This fund is used to account for all payroll disbursements.

#### **Golfside**

This fund is used to account for the reimbursement of police patrol costs for special patrol of the Golfside subdivision

#### **Private Finance Construction**

This fund is used to account for deposits by private developers for construction, by the Township, of water and sewer lines.

#### **Jeopardy Tax**

This fund is used to account for property tax payments assessed, in advance, to businesses that are expected to go into bankruptcy or to move out prior to receiving the regular billing.

#### **Contractor's Retained**

This fund is used to account for retainage deposits made on behalf of a contractor for the purpose of earning interest in the contractor's name.

**SAGINAW CHARTER TOWNSHIP  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
MARCH 31, 2008**

|                                    | Clearing<br>Account | Current Tax<br>Collections | Delinquent<br>Tax<br>Collections | Imprest<br>Payroll |
|------------------------------------|---------------------|----------------------------|----------------------------------|--------------------|
| Assets                             |                     |                            |                                  |                    |
| Cash and cash equivalents          | \$ 1                | \$ 1                       | \$ -                             | \$ 1,075           |
| Investments                        | -                   | -                          | -                                | -                  |
| Delinquent personal property taxes | -                   | -                          | 1,221,957                        | -                  |
| Due from others                    | -                   | -                          | -                                | -                  |
| Total Assets                       | <u>\$ 1</u>         | <u>\$ 1</u>                | <u>\$ 1,221,957</u>              | <u>\$ 1,075</u>    |
| Liabilities                        |                     |                            |                                  |                    |
| Accounts payable                   | \$ -                | \$ -                       | \$ -                             | \$ -               |
| Due to others                      | 1                   | 1                          | 142,356                          | 1,075              |
| Due to other governmental units    | -                   | -                          | 1,079,601                        | -                  |
| Total Liabilities                  | <u>\$ 1</u>         | <u>\$ 1</u>                | <u>\$ 1,221,957</u>              | <u>\$ 1,075</u>    |

| Golfside | Private<br>Finance<br>Construction | Jeopardy<br>Tax | Contractors<br>Retained | Totals       |
|----------|------------------------------------|-----------------|-------------------------|--------------|
| \$ 490   | \$ 99,821                          | \$ -            | \$ 250                  | \$ 101,638   |
| 2,587    | -                                  | -               | -                       | 2,587        |
| -        | -                                  | -               | -                       | 1,221,957    |
| 4,933    | -                                  | -               | -                       | 4,933        |
| \$ 8,010 | \$ 99,821                          | \$ -            | \$ 250                  | \$ 1,331,115 |
| \$ 510   | \$ -                               | \$ -            | \$ -                    | 510          |
| 7,500    | 99,821                             | -               | 250                     | 251,004      |
| -        | -                                  | -               | -                       | 1,079,601    |
| \$ 8,010 | \$ 99,821                          | \$ -            | \$ 250                  | \$ 1,331,115 |

**SAGINAW CHARTER TOWNSHIP**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED MARCH 31, 2008**

|                                    | Balance<br>April 1,<br>2007 | Additions     | Deductions    | Balance<br>March 31,<br>2008 |
|------------------------------------|-----------------------------|---------------|---------------|------------------------------|
| Clearing Account Fund              |                             |               |               |                              |
| Assets                             |                             |               |               |                              |
| Cash and cash equivalents          | \$ 1                        | \$ 64,830     | \$ 64,830     | \$ 1                         |
| Liabilities                        |                             |               |               |                              |
| Due to others                      | \$ 1                        | \$ 64,830     | \$ 64,830     | \$ 1                         |
| Current Tax Collections Fund       |                             |               |               |                              |
| Assets                             |                             |               |               |                              |
| Cash and cash equivalents          | \$ 1                        | \$ 44,529,847 | \$ 44,529,847 | \$ 1                         |
| Liabilities                        |                             |               |               |                              |
| Due to others                      | \$ 1                        | \$ 9,707,029  | \$ 9,707,029  | \$ 1                         |
| Due to other taxing units          | -                           | 34,822,818    | 34,822,818    | -                            |
| Total liabilities                  | \$ 1                        | \$ 44,529,847 | \$ 44,529,847 | \$ 1                         |
| Delinquent Tax Collections Fund    |                             |               |               |                              |
| Assets                             |                             |               |               |                              |
| Cash and cash equivalents          | \$ -                        | \$ 30,325     | \$ 30,325     | \$ -                         |
| Delinquent personal property taxes | 1,240,717                   | 23,697        | 42,457        | 1,221,957                    |
| Total assets                       | \$ 1,240,717                | \$ 54,022     | \$ 72,782     | \$ 1,221,957                 |
| Liabilities                        |                             |               |               |                              |
| Due to others                      | \$ 145,034                  | \$ 7,232      | \$ 9,910      | \$ 142,356                   |
| Due to other taxing units          | 1,095,683                   | 16,465        | 32,547        | 1,079,601                    |
| Penalties and interest payable     | -                           | 3,975         | 3,975         | -                            |
| Total liabilities                  | \$ 1,240,717                | \$ 27,672     | \$ 46,432     | \$ 1,221,957                 |
| Imprest Payroll Fund               |                             |               |               |                              |
| Assets                             |                             |               |               |                              |
| Cash and cash equivalents          | \$ 16,008                   | \$ 7,744,824  | \$ 7,759,757  | \$ 1,075                     |
| Due from others                    | 1,283                       | 103           | 1,386         | -                            |
| Total assets                       | \$ 17,291                   | \$ 7,744,927  | \$ 7,761,143  | \$ 1,075                     |
| Liabilities                        |                             |               |               |                              |
| Gross wages-withholdings payable   | \$ 17,291                   | \$ 7,744,927  | \$ 7,761,143  | \$ 1,075                     |

**SAGINAW CHARTER TOWNSHIP**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED MARCH 31, 2008**

|                                    | Balance<br>April 1,<br>2007 | Additions            | Deductions           | Balance<br>March 31,<br>2008 |
|------------------------------------|-----------------------------|----------------------|----------------------|------------------------------|
| Golfside                           |                             |                      |                      |                              |
| Assets                             |                             |                      |                      |                              |
| Cash and cash equivalents          | \$ 1,011                    | \$ 81,931            | \$ 82,452            | \$ 490                       |
| Investments                        | 1,535                       | 2,587                | 1,535                | 2,587                        |
| Accounts receivable                | 151                         | -                    | 151                  | -                            |
| Due from others                    | 4,811                       | 4,933                | 4,811                | 4,933                        |
| Total assets                       | <u>\$ 7,508</u>             | <u>\$ 89,451</u>     | <u>\$ 88,949</u>     | <u>\$ 8,010</u>              |
| Liabilities                        |                             |                      |                      |                              |
| Accounts payable                   | \$ 8                        | \$ 510               | \$ 8                 | \$ 510                       |
| Due to others                      | 7,500                       | -                    | -                    | 7,500                        |
| Total liabilities                  | <u>\$ 7,508</u>             | <u>\$ 510</u>        | <u>\$ 8</u>          | <u>\$ 8,010</u>              |
| Private Finance Construction Fund  |                             |                      |                      |                              |
| Assets                             |                             |                      |                      |                              |
| Cash and cash equivalents          | <u>\$ 32,269</u>            | <u>\$ 385,843</u>    | <u>\$ 318,291</u>    | <u>\$ 99,821</u>             |
| Liabilities                        |                             |                      |                      |                              |
| Due to others                      | <u>\$ 32,269</u>            | <u>\$ 385,843</u>    | <u>\$ 318,291</u>    | <u>\$ 99,821</u>             |
| Jeopardy Tax Fund                  |                             |                      |                      |                              |
| Assets                             |                             |                      |                      |                              |
| Cash and cash equivalents          | <u>\$ -</u>                 | <u>\$ 1,578</u>      | <u>\$ 1,578</u>      | <u>\$ -</u>                  |
| Liabilities                        |                             |                      |                      |                              |
| Due to others                      | <u>\$ -</u>                 | <u>\$ 1,578</u>      | <u>\$ 1,578</u>      | <u>\$ -</u>                  |
| Contractors Retained Fund          |                             |                      |                      |                              |
| Assets                             |                             |                      |                      |                              |
| Cash and cash equivalents          | <u>\$ 247</u>               | <u>\$ 10,647</u>     | <u>\$ 10,644</u>     | <u>\$ 250</u>                |
| Liabilities                        |                             |                      |                      |                              |
| Due to others                      | <u>\$ 247</u>               | <u>\$ 10,647</u>     | <u>\$ 10,644</u>     | <u>\$ 250</u>                |
| TOTAL - ALL AGENCY FUNDS           |                             |                      |                      |                              |
| Assets                             |                             |                      |                      |                              |
| Cash and cash equivalents          | \$ 49,537                   | \$ 52,849,825        | \$ 52,797,724        | \$ 101,638                   |
| Investments                        | 1,535                       | 2,587                | 1,535                | 2,587                        |
| Accounts receivable                | 151                         | -                    | 151                  | -                            |
| Delinquent personal property taxes | 1,240,717                   | 23,697               | 42,457               | 1,221,957                    |
| Due from others                    | 6,094                       | 5,036                | 6,197                | 4,933                        |
| Total assets                       | <u>\$ 1,298,034</u>         | <u>\$ 52,881,145</u> | <u>\$ 52,848,064</u> | <u>\$ 1,331,115</u>          |
| Liabilities                        |                             |                      |                      |                              |
| Accounts payable                   | \$ 8                        | \$ 510               | \$ 8                 | \$ 510                       |
| Due to others                      | 185,052                     | 10,177,159           | 10,112,282           | 249,929                      |
| Due to other taxing units          | 1,095,683                   | 34,839,283           | 34,855,365           | 1,079,601                    |
| Penalties and interest payable     | -                           | 3,975                | 3,975                | -                            |
| Gross wages-withholdings payable   | 17,291                      | 7,744,927            | 7,761,143            | 1,075                        |
| Total liabilities                  | <u>\$ 1,298,034</u>         | <u>\$ 52,765,854</u> | <u>\$ 52,732,773</u> | <u>\$ 1,331,115</u>          |

## STATISTICAL SECTION

This part of Saginaw Township's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

| <b>Contents</b>   | <b>Page</b> |
|---|-------------|
| Financial Trends  |             |
| <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>  | 78          |
| Revenue Capacity  |             |
| <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>  | 83          |
| Debt Capacity   |             |
| <i>These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.</i>                     | 87          |
| Demographic and Economic Information  |             |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>   | 90          |
| Operating Information   |             |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i> | 93          |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Township implemented Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

**SAGINAW CHARTER TOWNSHIP**  
**Net Assets by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Schedule 1  
Unaudited

|   | For Fiscal Year Ended |             |             |             |             |               |               |               |               |               |
|---|-----------------------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|---------------|
|   | <u>1999</u>           | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u>   | <u>2005</u>   | <u>2006</u>   | <u>2007</u>   | <u>2008</u>   |
| Governmental activities                         |                       |             |             |             |             |               |               |               |               |               |
| Invested in capital assets, net of related debt | \$ -                  | \$ -        | \$ -        | \$ -        | \$ -        | \$ 11,391,244 | \$ 10,904,143 | \$ 10,339,928 | \$ 10,010,647 | \$ 10,462,873 |
| Restricted                                      | -                     | -           | -           | -           | -           | -             | -             | -             | -             | -             |
| Unrestricted                                    | -                     | -           | -           | -           | -           | 13,050,539    | 14,211,617    | 15,001,013    | 16,133,110    | 15,557,839    |
| Total governmental activities net assets        | \$ -                  | \$ -        | \$ -        | \$ -        | \$ -        | \$ 24,441,783 | \$ 25,115,760 | \$ 25,340,941 | \$ 26,143,757 | \$ 26,020,712 |
| Business-type activities                        |                       |             |             |             |             |               |               |               |               |               |
| Invested in capital assets, net of related debt | \$ -                  | \$ -        | \$ -        | \$ -        | \$ -        | \$ 38,741,309 | \$ 39,132,114 | \$ 39,679,352 | \$ 39,371,187 | \$ 38,676,447 |
| Restricted                                      | -                     | -           | -           | -           | -           | -             | -             | -             | -             | -             |
| Unrestricted                                    | -                     | -           | -           | -           | -           | 1,766,779     | 2,386,843     | 3,481,334     | 4,776,398     | 5,387,951     |
| Total business-type activities net assets       | \$ -                  | \$ -        | \$ -        | \$ -        | \$ -        | \$ 40,508,088 | \$ 41,518,957 | \$ 43,160,686 | \$ 44,147,585 | \$ 44,064,398 |
| Primary government                              |                       |             |             |             |             |               |               |               |               |               |
| Invested in capital assets, net of related debt | \$ -                  | \$ -        | \$ -        | \$ -        | \$ -        | \$ 50,132,553 | \$ 50,036,257 | \$ 50,019,280 | \$ 49,381,834 | \$ 49,139,320 |
| Restricted                                      | -                     | -           | -           | -           | -           | -             | -             | -             | -             | -             |
| Unrestricted                                    | -                     | -           | -           | -           | -           | 14,817,318    | 16,598,460    | 18,482,347    | 20,909,508    | 20,945,790    |
| Total primary activities net assets             | \$ -                  | \$ -        | \$ -        | \$ -        | \$ -        | \$ 64,949,871 | \$ 66,634,717 | \$ 68,501,627 | \$ 70,291,342 | \$ 70,085,110 |

**SAGINAW CHARTER TOWNSHIP**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Schedule 2  
Unaudited

|   | For Fiscal Year Ended |      |      |      |      |                |                |                 |                 |                 |
|---|-----------------------|------|------|------|------|----------------|----------------|-----------------|-----------------|-----------------|
|   | 1999                  | 2000 | 2001 | 2002 | 2003 | 2004           | 2005           | 2006            | 2007            | 2008            |
| <b>Expenses</b>   |                       |      |      |      |      |                |                |                 | (1)             |                 |
| Governmental activities:                                |                       |      |      |      |      |                |                |                 |                 |                 |
| Public safety   | \$ -                  | \$ - | \$ - | \$ - | \$ - | \$ 6,073,936   | \$ 5,961,615   | \$ 6,437,179    | \$ 6,528,417    | \$ 7,352,925    |
| Community and economic development                      | -                     | -    | -    | -    | -    | 617,611        | 637,549        | 722,867         | 414,484         | (1) 429,561     |
| Public works  | -                     | -    | -    | -    | -    | 1,454,166      | 1,741,384      | 1,961,526       | 1,696,950       | 2,517,508       |
| Highway & Streets                                       | -                     | -    | -    | -    | -    | 991,688        | 931,892        | 1,096,303       | 1,077,331       | 1,335,667       |
| General government                                      | -                     | -    | -    | -    | -    | 1,981,056      | 2,075,963      | 2,130,434       | 2,627,751       | (1) 2,785,858   |
| Legislative   | -                     | -    | -    | -    | -    | -              | 32,197         | 31,182          | 33,269          | 49,169          |
| Recreation and culture                                  | -                     | -    | -    | -    | -    | 1,643,395      | 1,750,798      | 1,785,743       | 1,894,384       | 1,799,826       |
| Total governmental activities expenses                  | -                     | -    | -    | -    | -    | 12,761,852     | 13,131,398     | 14,165,234      | 14,272,586      | 16,270,514      |
| Business-type activities:                               |                       |      |      |      |      |                |                |                 |                 |                 |
| Sewer   | -                     | -    | -    | -    | -    | 4,577,175      | 4,698,809      | 4,647,211       | 4,872,862       | 4,960,853       |
| Water   | -                     | -    | -    | -    | -    | 4,009,963      | 3,448,300      | 3,501,324       | 3,851,112       | 4,169,997       |
| Total business-type activities expenses                 | -                     | -    | -    | -    | -    | 8,587,138      | 8,147,109      | 8,148,535       | 8,723,974       | 9,130,850       |
| Total primary government expenses                       | \$ -                  | \$ - | \$ - | \$ - | \$ - | \$ 21,348,990  | \$ 21,278,507  | \$ 22,313,769   | \$ 22,996,560   | \$ 25,401,364   |
| <b>Program Revenues</b>                                 |                       |      |      |      |      |                |                |                 |                 |                 |
| Governmental activities:                                |                       |      |      |      |      |                |                |                 |                 |                 |
| Charges for services                                    |                       |      |      |      |      |                |                |                 |                 |                 |
| Public safety   | \$ -                  | \$ - | \$ - | \$ - | \$ - | \$ 101,370     | \$ 69,372      | \$ 69,258       | \$ 64,157       | \$ 68,580       |
| Public Works  | -                     | -    | -    | -    | -    | -              | 1,963,398      | 1,485,681       | 1,617,109       | 1,765,763       |
| General government                                      | -                     | -    | -    | -    | -    | 3,197,572      | 1,096,050      | 1,076,565       | 1,102,445       | 1,190,464       |
| Legislative   | -                     | -    | -    | -    | -    | -              | 96,718         | 76,945          | 72,830          | 119,558         |
| Community Development                                   | -                     | -    | -    | -    | -    | -              | 316,421        | 325,697         | 310,517         | 231,714         |
| Recreation and culture                                  | -                     | -    | -    | -    | -    | -              | 298,291        | 330,228         | 334,972         | 354,563         |
| Operating grants and contributions                      | -                     | -    | -    | -    | -    | 302,427        | 209,941        | 273,827         | 340,880         | 227,296         |
| Capital grants and contributions                        | -                     | -    | -    | -    | -    | 250            | -              | 106,201         | -               | 55,000          |
| Total governmental activities program revenues          | -                     | -    | -    | -    | -    | 3,601,619      | 4,050,191      | 3,744,402       | 3,842,910       | 4,012,938       |
| Business-type activities:                               |                       |      |      |      |      |                |                |                 |                 |                 |
| Charges for services                                    |                       |      |      |      |      |                |                |                 |                 |                 |
| Sewer   | -                     | -    | -    | -    | -    | 3,964,592      | 4,010,527      | 4,404,133       | 5,035,705       | 5,073,123       |
| Water   | -                     | -    | -    | -    | -    | 3,871,304      | 3,782,710      | 3,895,158       | 3,590,716       | 3,855,270       |
| Capital grants and contributions                        | -                     | -    | -    | -    | -    | 924,804        | 1,383,874      | 1,551,357       | 1,131,471       | 124,609         |
| Total business-type activities program revenues         | -                     | -    | -    | -    | -    | 8,760,700      | 9,177,111      | 9,850,648       | 9,757,892       | 9,053,002       |
| Total primary government program revenues               | \$ -                  | \$ - | \$ - | \$ - | \$ - | \$ 12,362,319  | \$ 13,227,302  | \$ 13,595,050   | \$ 13,600,802   | \$ 13,065,940   |
| <b>Net (expense)/revenue</b>                            |                       |      |      |      |      |                |                |                 |                 |                 |
| Governmental activities                                 | \$ -                  | \$ - | \$ - | \$ - | \$ - | \$ (9,160,233) | \$ (9,081,207) | \$ (10,420,832) | \$ (10,429,676) | \$ (12,257,576) |
| Business-type activities                                | -                     | -    | -    | -    | -    | 173,562        | 1,030,002      | 1,702,113       | 1,033,918       | (77,848)        |
| Total primary government net expense                    | \$ -                  | \$ - | \$ - | \$ - | \$ - | \$ (8,986,671) | \$ (8,051,205) | \$ (8,718,719)  | \$ (9,395,758)  | \$ (12,335,424) |
| <b>General Revenues and Other Changes in Net Assets</b> |                       |      |      |      |      |                |                |                 |                 |                 |
| Governmental activities:                                |                       |      |      |      |      |                |                |                 |                 |                 |
| Property taxes  | \$ -                  | \$ - | \$ - | \$ - | \$ - | \$ 5,954,607   | \$ 6,132,664   | \$ 6,904,061    | \$ 7,432,595    | \$ 8,330,192    |
| Unrestricted grants and contributions                   | -                     | -    | -    | -    | -    | 3,104,502      | 3,077,139      | 3,016,694       | 2,951,812       | 2,974,433       |
| Unrestricted investment earnings                        | -                     | -    | -    | -    | -    | 102,369        | 183,776        | 438,573         | 653,461         | 600,278         |
| Other revenue   | -                     | -    | -    | -    | -    | 6,331          | 142,798        | 201,151         | 125,433         | 35,971          |
| Transfers - internal activities                         | -                     | -    | -    | -    | -    | 186,727        | 164,732        | 178,017         | 183,266         | 193,657         |
| Total governmental activities                           | -                     | -    | -    | -    | -    | 9,354,536      | 9,701,109      | 10,738,496      | 11,346,567      | 12,134,531      |
| Business-type activities:                               |                       |      |      |      |      |                |                |                 |                 |                 |
| Unrestricted investment earnings                        | -                     | -    | -    | -    | -    | -              | 18,860         | 39,760          | 108,754         | 169,875         |
| Gain on Sale of Capital Assets                          | -                     | -    | -    | -    | -    | 2,879          | 7,392          | 17,292          | 8,850           | 9,439           |
| Other revenue   | -                     | -    | -    | -    | -    | -              | 47,199         | 60,581          | 64,809          | 9,004           |
| Transfers - internal activities                         | -                     | -    | -    | -    | -    | (186,727)      | (164,732)      | (178,017)       | (183,266)       | (193,657)       |
| Total business-type activities                          | -                     | -    | -    | -    | -    | (183,848)      | (91,281)       | (60,384)        | (853)           | (5,339)         |
| Total primary government                                | \$ -                  | \$ - | \$ - | \$ - | \$ - | \$ 9,170,688   | \$ 9,609,828   | \$ 10,678,112   | \$ 11,345,714   | \$ 12,129,192   |
| <b>Change in Net Assets</b>                             |                       |      |      |      |      |                |                |                 |                 |                 |
| Governmental activities                                 | \$ -                  | \$ - | \$ - | \$ - | \$ - | \$ 194,303     | \$ 619,902     | \$ 317,664      | \$ 916,891      | \$ (123,045)    |
| Business-type activities                                | -                     | -    | -    | -    | -    | (10,286)       | 938,721        | 1,641,729       | 1,033,065       | (83,187)        |
| Total primary government                                | \$ -                  | \$ - | \$ - | \$ - | \$ - | \$ 184,017     | \$ 1,558,623   | \$ 1,959,393    | \$ 1,949,956    | \$ (206,232)    |

(1) Planning Staff previously accounted for in Community Development transferred to General Fund.



**SAGINAW CHARTER TOWNSHIP**  
**Governmental Activities Tax Revenue By Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Schedule 3  
Unaudited

| <b>Fiscal<br/>Year</b> | <b>Property<br/>Tax</b> |
|------------------------|-------------------------|
| 1999                   | -                       |
| 2000                   | -                       |
| 2001                   | -                       |
| 2002                   | -                       |
| 2003                   | -                       |
| 2004                   | \$5,954,607             |
| 2005                   | 6,132,664               |
| 2006                   | 6,904,061               |
| 2007                   | 7,432,595               |
| 2008                   | 8,330,192               |

**SAGINAW CHARTER TOWNSHIP**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Schedule 4  
Unaudited

|                                    | For Fiscal Year Ended |                     |                     |                     |                     |                     |                     |                     |                      |                      |
|------------------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
|                                    | <u>1999</u>           | <u>2000</u>         | <u>2001</u>         | <u>2002</u>         | <u>2003</u>         | <u>2004</u>         | <u>2005</u>         | <u>2006</u>         | <u>2007</u>          | <u>2008</u>          |
| General fund                       |                       |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Reserved                           | \$ 1,296,751          | \$ 1,174,939        | \$ 1,046,994        | \$ 941,742          | \$ 868,561          | \$ 774,151          | \$ 684,093          | \$ 814,435          | \$ 793,024           | \$ 651,991           |
| Unreserved                         | 2,162,201             | 2,537,831           | 3,176,673           | 3,064,161           | 3,367,222           | 3,345,220           | 3,752,334           | 3,747,769           | 4,098,085            | 4,101,484            |
| Total general fund                 | <u>\$ 3,458,952</u>   | <u>\$ 3,712,770</u> | <u>\$ 4,223,667</u> | <u>\$ 4,005,903</u> | <u>\$ 4,235,783</u> | <u>\$ 4,119,371</u> | <u>\$ 4,436,427</u> | <u>\$ 4,562,204</u> | <u>\$ 4,891,109</u>  | <u>\$ 4,753,475</u>  |
|                                    |                       |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| All other governmental funds       |                       |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Reserved                           | \$ 53,212             | \$ 10,904           | \$ 14,982           | \$ 7,299            | \$ 15,209           | \$ 11,462           | \$ 5,861            | \$ 9,270            | \$ 9,776             | \$ 12,728            |
| Unreserved                         |                       |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Special revenue funds              | 5,150,731             | 5,370,481           | 5,911,826           | 6,734,698           | 6,644,318           | 7,372,269           | 7,780,738           | 8,540,947           | 9,433,584            | 9,397,486            |
| Capital projects funds             | 968,381               | 1,049,454           | 1,359,328           | 2,637,515           | 956,102             | 1,066,955           | 1,092,510           | 1,017,119           | 1,149,104            | 810,660              |
| Total all other governmental funds | <u>\$ 6,172,324</u>   | <u>\$ 6,430,839</u> | <u>\$ 7,286,136</u> | <u>\$ 9,379,512</u> | <u>\$ 7,615,629</u> | <u>\$ 8,450,686</u> | <u>\$ 8,879,109</u> | <u>\$ 9,567,336</u> | <u>\$ 10,592,464</u> | <u>\$ 10,220,874</u> |

**SAGINAW CHARTER TOWNSHIP**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Schedule 5  
Unaudited

|   | For Fiscal Year Ended |              |              |              |                |              |              |              |              |               |
|---|-----------------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|---------------|
|   | 1999                  | 2000         | 2001         | 2002         | 2003           | 2004         | 2005         | 2006         | 2007         | 2008          |
| <b>Revenues</b>                                 |                       |              |              |              |                |              |              |              |              |               |
| Property taxes and other taxes                  | \$ 5,249,338          | \$ 5,506,722 | \$ 5,719,948 | \$ 5,941,371 | \$ 6,256,233   | \$ 6,330,375 | \$ 6,544,669 | \$ 6,947,540 | \$ 7,601,577 | \$ 8,079,249  |
| Licenses and permits                            | 485,711               | 452,147      | 523,301      | 564,005      | 651,257        | 753,871      | 792,212      | 811,415      | 809,960      | 772,957       |
| Federal grants                                  | 79,696                | 58,318       | 93,313       | 71,635       | 77,644         | 12,270       | 14,496       | 59,726       | 4,131        | 3,816         |
| State grants                                    | 3,052,821             | 3,350,232    | 3,498,077    | 3,650,959    | 4,149,765      | 3,147,120    | 3,192,828    | 3,243,319    | 3,187,937    | 3,148,526     |
| Interest, rents and royalties                   | 395,295               | 451,619      | 552,755      | 376,430      | 202,125        | 182,722      | 170,471      | 396,844      | 582,196      | 523,153       |
| Charges for services                            | 1,467,624             | 1,518,945    | 1,679,809    | 1,779,764    | 1,709,242      | 1,836,963    | 2,001,104    | 1,868,833    | 1,902,423    | 2,090,378     |
| Fines and forfeits                              | 162,368               | 139,081      | 150,574      | 141,161      | 136,131        | 150,467      | 138,040      | 168,870      | 122,434      | 163,759       |
| Reimbursements, refunds and other revenue       | 214,414               | 205,977      | 322,818      | 528,159      | 368,756        | 223,366      | 346,511      | 425,991      | 443,137      | 379,181       |
| Special Assessments                             | 691,290               | 576,963      | 818,778      | 528,282      | 646,825        | 408,106      | 360,401      | 361,430      | 357,728      | 414,534       |
| Total revenues                                  | 11,798,557            | 12,260,004   | 13,359,373   | 13,581,766   | 14,197,978     | 13,045,260   | 13,560,732   | 14,283,968   | 15,011,523   | \$ 15,575,553 |
| <b>Expenditures</b>                             |                       |              |              |              |                |              |              |              |              |               |
| General government                              | 1,187,493             | 1,189,633    | 1,289,079    | 1,348,121    | 1,443,553      | 1,392,275    | 1,318,362    | 1,434,097    | 1,624,439    | 1,608,170     |
| Public safety                                   | 4,940,325             | 5,686,535    | 5,866,820    | 5,792,602    | 6,731,516      | 5,374,051    | 5,890,301    | 6,176,099    | 6,474,902    | 7,556,701     |
| Public works                                    | 1,365,204             | 1,368,163    | 1,381,591    | 1,413,204    | 1,451,150      | 1,454,166    | 1,803,752    | 1,737,386    | 1,684,365    | 2,502,987     |
| Highways & Streets                              | 1,137,555             | 980,286      | 1,361,869    | 999,459      | 974,079        | 1,158,142    | 884,266      | 1,048,472    | 1,026,591    | 1,278,118     |
| Community and economic development              | -                     | -            | -            | -            | -              | 639,374      | 637,549      | 722,867      | 414,484      | 429,561       |
| Recreation and culture                          | 1,082,416             | 1,195,964    | 1,188,850    | 1,217,536    | 1,404,641      | 1,665,761    | 1,554,710    | 1,573,110    | 1,672,726    | 1,859,297     |
| Other functions                                 | 664,427               | 681,234      | 584,012      | 648,364      | 781,068        | 829,572      | 882,418      | 863,467      | 943,249      | 1,043,600     |
| Capital Outlay                                  | 1,050,135             | 785,559      | 471,459      | 438,132      | 3,112,566      |              |              |              |              |               |
| Total expenditures                              | 11,427,555            | 11,887,374   | 12,143,680   | 11,857,418   | 15,898,573     | 12,513,341   | 12,971,358   | 13,555,498   | 13,840,756   | 16,278,434    |
| Excess of revenues<br>over (under) expenditures | 371,002               | 372,630      | 1,215,693    | 1,724,348    | (1,700,595)    | 531,919      | 589,374      | 728,470      | 1,170,767    | (702,881)     |
| <b>Other financing sources (uses)</b>           |                       |              |              |              |                |              |              |              |              |               |
| Transfers in                                    | 2,024,974             | 2,188,332    | 2,349,945    | 3,302,640    | 2,820,283      | 2,336,341    | 2,152,471    | 2,346,388    | 1,832,263    | 2,164,857     |
| Transfers (out)                                 | (1,890,520)           | (2,048,515)  | (2,200,351)  | (3,151,376)  | (2,653,691)    | (2,149,614)  | (1,987,739)  | (2,168,371)  | (1,648,997)  | (1,971,200)   |
| Total other financing<br>sources (uses)         | 134,454               | 139,817      | 149,594      | 151,264      | 166,592        | 186,727      | 164,732      | 178,017      | 183,266      | 193,657       |
| Net change in fund balances                     | \$ 505,456            | \$ 512,447   | \$ 1,365,287 | \$ 1,875,612 | \$ (1,534,003) | \$ 718,646   | \$ 754,106   | \$ 906,487   | \$ 1,354,033 | \$ (509,224)  |

**SAGINAW CHARTER TOWNSHIP**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

| Fiscal<br>Year | Property<br>Tax |
|----------------|-----------------|
| 1999           | -               |
| 2000           | -               |
| 2001           | -               |
| 2002           | -               |
| 2003           | -               |
| 2004           | \$6,330,375     |
| 2005           | 6,554,669       |
| 2006           | 6,947,540       |
| 2007           | 7,601,577       |
| 2008           | 8,079,249       |

**SAGINAW CHARTER TOWNSHIP**  
**Assessed Value and Taxable Value of Property**  
**Last Ten Fiscal Years**

Schedule 6  
Unaudited

| <b>Fiscal<br/>Year<br/>Ended<br/>March 31.</b> | <b>Agricultural<br/>Property</b> | <b>Commercial<br/>Property</b> | <b>Industrial<br/>Property</b> | <b>Residential<br/>Property</b> | <b>Developmental<br/>Property</b> | <b>Personal<br/>Property</b> | <b>Total<br/>Assessed<br/>Value (1)</b> | <b>Total<br/>Direct<br/>Tax Rate</b> | <b>Taxable<br/>Value</b> | <b>Taxable<br/>Value as a<br/>Percentage of<br/>Assessed Value</b> |
|--|----------------------------------|--------------------------------|--------------------------------|---------------------------------|-----------------------------------|------------------------------|---|--------------------------------------|--------------------------|--|
| 1999   | \$1,336,100                      | \$249,115,600                  | \$6,354,900                    | \$635,856,600                   | \$5,073,200                       | \$67,058,900                 | \$964,795,300                           | 5.4360                               | \$912,090,557            | 94.54%   |
| 2000   | 1,273,600                        | 257,252,200                    | 6,316,900                      | 672,372,400                     | 4,985,700                         | 72,681,000                   | 1,014,881,800                           | 5.5360                               | 955,107,016              | 94.11%   |
| 2001   | 1,257,200                        | 272,251,900                    | 6,316,900                      | 708,213,700                     | 4,945,800                         | 75,087,800                   | 1,068,073,300                           | 5.5360                               | 994,233,262              | 93.09%   |
| 2002   | 1,145,300                        | 276,550,800                    | 6,316,900                      | 756,970,400                     | 4,245,600                         | 79,088,200                   | 1,124,317,200                           | 5.4360                               | 1,048,771,657            | 93.28%   |
| 2003   | 1,145,300                        | 296,805,300                    | 6,316,900                      | 802,192,200                     | 4,186,500                         | 80,547,600                   | 1,191,193,800                           | 5.4360                               | 1,102,664,213            | 92.57%   |
| 2004   | 350,500                          | 327,191,000                    | 6,316,900                      | 838,888,200                     | 10,287,500                        | 77,228,500                   | 1,260,262,600                           | 5.2155                               | 1,142,052,190            | 90.62%   |
| 2005   | 351,000                          | 332,161,200                    | 6,316,900                      | 913,745,100                     | 8,563,000                         | 75,085,500                   | 1,336,222,700                           | 5.2155                               | 1,195,441,538            | 89.46%   |
| 2006   | 352,000                          | 349,171,900                    | 6,316,900                      | 949,778,400                     | 8,355,000                         | 70,258,600                   | 1,384,232,800                           | 5.2155                               | 1,245,713,527            | 89.99%   |
| 2007   | 369,000                          | 397,530,900                    | 6,918,400                      | 1,002,127,700                   | 8,362,900                         | 73,425,900                   | 1,488,734,800                           | 5.4155                               | 1,317,130,274            | 88.47%   |
| 2008   | 410,700                          | 403,761,400                    | 6,931,400                      | 1,012,815,400                   | 8,243,400                         | 76,740,200                   | 1,508,902,500                           | 5.4155                               | 1,359,905,829            | 90.13%   |

Source: Saginaw Charter Township Assessing Department

(1) Assessed values as of 3/31.

**SAGINAW CHARTER TOWNSHIP**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Schedule 7  
Unaudited

| <u>Saginaw Charter Township</u> |                              |                           |  |                                       | <u>Overlapping Rates</u>                |                                       |  |                                    |   | <b>Total<br/>Direct &amp;<br/>Overlapping<br/>Rates</b> |
|---------------------------------|------------------------------|---------------------------|--|---------------------------------------|---|---------------------------------------|--|------------------------------------|---|---|
| <u>Fiscal<br/>Year (1)</u>      | <u>Operating<br/>Millage</u> | <u>Police<br/>Millage</u> | <u>Fire<br/>Special<br/>Assessment</u> | <u>Total<br/>Township<br/>Millage</u> | <u>Saginaw<br/>County<br/>Operating</u> | <u>Inter-<br/>mediate<br/>Schools</u> | <u>Delta<br/>Community<br/>College</u> | <u>State<br/>Education<br/>Tax</u> | <u>Saginaw Twp<br/>Schools<br/>Debt</u> |   |
| 1999                            | 0.9360                       | 3.0000                    | 1.5000                                 | 5.4360                                | 6.56371                                 | 2.0910                                | 2.0427                                 | 6.0000                             | 2.5000                                  | 24.63341  |
| 2000                            | 0.9360                       | 3.0000                    | 1.6000                                 | 5.5360                                | 6.68090                                 | 2.0910                                | 2.0427                                 | 6.0000                             | 2.5000                                  | 24.85060  |
| 2001                            | 0.9360                       | 3.0000                    | 1.6000                                 | 5.5360                                | 6.63800                                 | 2.0886                                | 2.0427                                 | 6.0000                             | 2.5000                                  | 24.80530  |
| 2002                            | 0.9360                       | 3.0000                    | 1.5000                                 | 5.4360                                | 7.20670                                 | 2.0885                                | 2.5427                                 | 6.0000                             | 2.5000                                  | 25.77390  |
| 2003                            | 0.9360                       | 3.0000                    | 1.5000                                 | 5.4360                                | 7.20220                                 | 2.0885                                | 2.5427                                 | 6.0000                             | 2.5000                                  | 25.76940  |
| 2004                            | 0.9311                       | 2.9844                    | 1.3000                                 | 5.2155                                | 7.23520                                 | 2.0885                                | 2.5427                                 | 5.0000                             | 2.5000                                  | 24.58190  |
| 2005                            | 0.9311                       | 2.9844                    | 1.3000                                 | 5.2155                                | 7.63430                                 | 2.0876                                | 2.0427                                 | 6.0000                             | 2.5000                                  | 25.48010  |
| 2006                            | 0.9311                       | 2.9844                    | 1.3000                                 | 5.2155                                | 7.53620                                 | 2.0872                                | 2.0427                                 | 6.0000                             | 2.5000                                  | 25.38160  |
| 2007                            | 0.9311                       | 2.9844                    | 1.5000                                 | 5.4155                                | 7.52650                                 | 2.0872                                | 2.0427                                 | 6.0000                             | 2.2500                                  | 25.32190  |
| 2008                            | 0.9311                       | 2.9844                    | 1.5000                                 | 5.4155                                | 7.52650                                 | 2.0695                                | 2.0427                                 | 6.0000                             | 2.2500                                  | 25.30420  |

Source: Saginaw Charter Township Assessing Department

(1) Rates reduced to comply with the Headlee Amendment.

Non-homestead school operating millage

|      |         |
|------|---------|
| 1999 | 18.0000 |
| 2000 | 18.0000 |
| 2001 | 18.0000 |
| 2002 | 18.0000 |
| 2003 | 18.0000 |
| 2004 | 18.0000 |
| 2005 | 18.0000 |
| 2006 | 18.0000 |
| 2007 | 18.0000 |
| 2008 | 18.0000 |

**SAGINAW CHARTER TOWNSHIP**  
**Principal Property Taxpayers**  
**March 31, 2008 and Nine Years Ago**

Schedule 8  
Unaudited

| <b>Taxpayer</b>                    | <b>2008</b>                           |             |   | <b>1999</b>                           |             |   |
|------------------------------------|---------------------------------------|-------------|---|---------------------------------------|-------------|---|
|                                    | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage of<br/>Total Taxable<br/>Assessed Value</b> | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage of<br/>Total Taxable<br/>Assessed Value</b> |
| JG Saginaw LLC                     | \$ 22,518,800                         | 1           | 1.49%   | \$ 19,709,200                         | 2           | 1.94%   |
| Consumers Energy                   | 16,106,300                            | 2           | 1.07%   | 20,840,900                            | 1           | 2.05%   |
| West Valley Limited Partnership    | 6,583,540                             | 3           | 0.44%   | 5,287,800                             | 5           | 0.52%   |
| Wal-Mart Property                  | 6,273,200                             | 4           | 0.42%   |                                       |             |   |
| Menard, Inc.                       | 5,781,600                             | 5           | 0.38%   |                                       |             |   |
| Fox Glen Apartments                | 4,731,910                             | 6           | 0.31%   | 4,273,800                             | 7           | 0.42%   |
| Sears Roebuck & Company            | 4,700,785                             | 7           | 0.31%   | 4,715,300                             | 6           | 0.46%   |
| Galileo Fashion Corner LLC         | 4,474,400                             | 8           | 0.30%   | 4,178,500                             | 8           | 0.41%   |
| Galileo Green Acres LLC            | 4,402,048                             | 9           | 0.29%   | 3,600,000                             | 9           | 0.35%   |
| Saginaw SH-MG LLC etal             | 4,280,200                             | 10          | 0.28%   |                                       |             |   |
| Sahasa Realty                      |                                       |             |   | 8,893,200                             | 3           | 0.88%   |
| Michigan State Housing Development |                                       |             |   | 5,547,400                             | 4           | 0.55%   |
| Normandy Square Apartments         |                                       |             |   | 3,571,400                             | 10          | 0.35%   |
| Totals                             | <u>\$ 79,852,783</u>                  |             | <u>5.29%</u>  | <u>\$ 80,617,500</u>                  |             | <u>7.93%</u>  |

Source: Saginaw Charter Township Assessing Department

**SAGINAW CHARTER TOWNSHIP**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Schedule 9  
Unaudited

| Fiscal Year<br>Ended<br>March 31, | Total Tax<br>Levy for<br>Fiscal Year | Collected within the<br>Fiscal Year of the Levy |                       | Delinquents<br>Purchased by<br>Treasurer | Collections<br>in Subsequent<br>Years | Total Collections to Date |                       |
|-----------------------------------|--------------------------------------|---|-----------------------|--|---------------------------------------|---------------------------|-----------------------|
|                                   |                                      | Amount  | Percentage<br>of Levy |  |                                       | Amount                    | Percentage<br>of Levy |
| 1999                              | \$4,935,931                          | \$4,693,822                                     | 95.09%                | \$232,950                                | \$6,810                               | \$4,933,582               | 99.95%                |
| 2000                              | 5,171,183                            | 4,954,977                                       | 95.82%                | 205,769                                  | 8,454                                 | 5,169,200                 | 99.96%                |
| 2001                              | 5,384,697                            | 5,112,823                                       | 94.95%                | 216,135                                  | 9,888                                 | 5,338,846                 | 99.15%                |
| 2002                              | 5,582,712                            | 5,305,958                                       | 95.04%                | 239,139                                  | 14,775                                | 5,559,872                 | 99.59%                |
| 2003                              | 5,874,074                            | 5,602,842                                       | 95.38%                | 235,488                                  | 12,605                                | 5,850,935                 | 99.61%                |
| 2004                              | 5,856,081                            | 5,601,456                                       | 95.65%                | 223,262                                  | 8,418                                 | 5,833,136                 | 99.61%                |
| 2005                              | 6,137,554                            | 5,839,565                                       | 95.14%                | 265,868                                  | 6,102                                 | 6,111,535                 | 99.58%                |
| 2006                              | 6,405,367                            | 6,108,380                                       | 95.36%                | 289,018                                  | 6,260                                 | 6,403,658                 | 99.97%                |
| 2007                              | 7,022,673                            | 6,663,259                                       | 94.88%                | 354,100                                  | 4,730                                 | 7,022,089                 | 99.99%                |
| 2008                              | 7,251,430                            | 6,839,020                                       | 94.31%                | 404,764                                  | (1)                                   | 6,839,020                 | 94.31%                |

Source: Saginaw Charter Township Treasurer

(1) This information is not yet available.  
Saginaw County reimburses the Township for all delinquent real property tax.  
Delinquent personal property tax, interest, and penalty is collected in subsequent years.

**SAGINAW CHARTER TOWNSHIP**  
**Direct and Overlapping Debt**  
**As of March 31, 2008**

Schedule 10  
Unaudited

| <u>Governmental Unit</u>                   | <u>Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable to<br/>Saginaw Twp</u> | <u>Share of<br/>Overlapping<br/>Debt</u> |
|--|-----------------------------|---|--|
| Direct                                     |                             |   |  |
| Township of Saginaw                        | \$ 3,278,847                | 100.00%   | \$ 3,278,847                             |
| Less debt payable from enterprise revenues | <u>(3,278,847)</u>          |   | <u>(3,278,847)</u>                       |
| Net tax supported debt                     | 0                           |   | 0  |
| Overlapping (1)                            |                             |   |  |
| Saginaw Township Schools                   | 10,045,000                  | 100.00%   | 10,045,000                               |
| Saginaw County                             | 45,461,277                  | 26.10%  | 11,865,393                               |
| Saginaw Intermediate School District       | <u>3,640,000</u>            | 26.44%  | <u>962,416</u>                           |
| TOTAL                                      | <u>\$59,146,277</u>         |   | <u>\$22,872,809</u>                      |

(1) Sources: Debt outstanding and estimated share of overlapping debt provided by Municipal Advisory Council of Michigan.



**SAGINAW CHARTER TOWNSHIP**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Schedule 11  
Unaudited

|   | For Fiscal Year Ended |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <u>1999</u>           | <u>2000</u>           | <u>2001</u>           | <u>2002</u>           | <u>2003</u>           | <u>2004</u>           | <u>2005</u>           | <u>2006</u>           | <u>2007</u>           | <u>2008</u>           |
| Debt limit  | \$ 101,495,570        | \$ 106,807,330        | \$ 112,476,810        | \$ 119,119,380        | \$ 126,026,260        | \$ 133,622,270        | \$ 138,423,280        | \$ 148,873,480        | \$ 150,890,250        | \$ 150,861,080        |
| Total net debt applicable to limit                                      | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Legal debt margin   | <u>\$ 101,495,570</u> | <u>\$ 106,807,330</u> | <u>\$ 112,476,810</u> | <u>\$ 119,119,380</u> | <u>\$ 126,026,260</u> | <u>\$ 133,622,270</u> | <u>\$ 138,423,280</u> | <u>\$ 148,873,480</u> | <u>\$ 150,890,250</u> | <u>\$ 150,861,080</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 |

**Legal Debt Margin Calculation for Fiscal Year 2008**

|   |                              |
|---|------------------------------|
| State equalized value of real property          | \$ 1,431,828,900             |
| State equalized value of personal property      | <u>\$ 76,781,900</u>         |
| Total state equalized value                     | <u>\$ 1,508,610,800</u>      |
| Debt limit (10% of total state equalized value) | 150,861,080                  |
| Debt applicable to limit:                       | <u>-</u>                     |
| Legal debt margin                               | <u><u>\$ 150,861,080</u></u> |

Note: Under state finance law Saginaw Charter Township's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**SAGINAW CHARTER TOWNSHIP**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

Schedule 12  
Unaudited

**Waste Water Fund Revenue Bonds**

| <b>Fiscal<br/>Year</b> | <b>Operating<br/>Revenue (1)</b> | <b>Operating<br/>Expenses (2)</b> | <b>Net<br/>Available<br/>Revenue</b> | <b>Debt Service</b> |                 | <b>Total</b> | <b>Coverage</b> |
|------------------------|----------------------------------|-----------------------------------|--------------------------------------|---------------------|-----------------|--------------|-----------------|
|                        |                                  |                                   |                                      | <b>Principal</b>    | <b>Interest</b> |              |                 |
| 1999                   | \$3,314,416                      | \$2,176,077                       | \$1,138,339 (3)                      | \$401,143           | \$223,734       | \$624,877    | 1.82            |
| 2000                   | 3,245,327                        | 2,707,921                         | 537,406                              | 374,254             | 189,531         | 563,785      | 0.95            |
| 2001                   | 3,398,574                        | 2,653,514                         | 745,060                              | 396,163             | 184,361         | 580,524      | 1.28            |
| 2002                   | 3,378,512                        | 2,796,898                         | 581,614                              | 409,882             | 177,423         | 587,305      | 0.99            |
| 2003                   | 3,594,941                        | 2,655,825                         | 939,116 (3)                          | 428,090             | 166,535         | 594,625      | 1.58            |
| 2004                   | 3,964,591                        | 2,981,132                         | 983,459                              | 436,905             | 151,774         | 588,679      | 1.67            |
| 2005                   | 4,026,516                        | 3,116,469                         | 910,047                              | 448,572             | 141,253         | 589,825      | 1.54            |
| 2006                   | 4,443,619                        | 3,040,436                         | 1,403,183                            | 459,548             | 129,000         | 588,548      | 2.38            |
| 2007                   | 5,106,048                        | 3,234,669                         | 1,871,379                            | 470,421             | 116,792         | 587,213      | 3.19            |
| 2008                   | 5,202,851                        | 3,305,538                         | 1,897,313                            | 478,190             | 101,764         | 579,954      | 3.27            |

- (1) Total Revenues including interest and excluding capital contributions  
(2) Total Operating expenses exclusive of depreciation but including transfer  
to the General Fund for administration.  
(3) Rate Increase

**SAGINAW CHARTER TOWNSHIP**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Schedule 13  
Unaudited

| <b>Fiscal<br/>Year</b> | <b>Population (1)</b> | <b>Personal<br/>Income<br/>(amounts expressed<br/>in thousands)</b> | <b>Per<br/>Capita<br/>Personal<br/>Income (2)</b> | <b>School<br/>Enrollment (3)</b> | <b>Unemployment<br/>Rate (4)</b> |
|------------------------|-----------------------|---|---|----------------------------------|----------------------------------|
| 1999                   | 39,090                | n/a   | n/a   | 4,828                            | 2.60%                            |
| 2000                   | 39,154                | n/a   | n/a   | 4,833                            | 2.10%                            |
| 2001                   | 39,657                | \$1,021,525   | \$25,759  | 4,823                            | 2.40%                            |
| 2002                   | 39,942                | n/a   | n/a   | 4,815                            | 3.40%                            |
| 2003                   | 40,339                | n/a   | n/a   | 4,924                            | 3.90%                            |
| 2004                   | 40,774                | n/a   | n/a   | 5,205                            | 5.20%                            |
| 2005                   | 41,155                | n/a   | n/a   | 5,155                            | 5.30%                            |
| 2006                   | 41,513                | n/a   | n/a   | 5,244                            | 5.10%                            |
| 2007                   | 41,651                | n/a   | n/a   | 5,286                            | 4.00%                            |
| 2008                   | 41,744                | n/a   | n/a   | 5,273                            | 4.40%                            |

Data Sources:

- (1) Population is an estimate as of March 31, of fiscal year with the exception of 2001 which reflects the actual 2000 census.
- (2) Bureau of Economic Analysis, U.S. Department of Commerce
- (3) Local school district
- (4) U.S. Department of Labor Bureau of Labor Statistics Data - Unemployment rate information is a yearly average not seasonally adjusted.

**SAGINAW CHARTER TOWNSHIP**  
**Full-time Equivalent Township Employees by Function**  
**Last Ten Fiscal Years**

Schedule 14  
Unaudited

|                                    | For Fiscal Year Ended |              |              |              |              |              |              |              |              |              |
|------------------------------------|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                    | <u>1999</u>           | <u>2000</u>  | <u>2001</u>  | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007</u>  | <u>2008</u>  |
| <b>Function</b>                    |                       |              |              |              |              |              |              |              |              |              |
| Public safety                      | 98.5                  | 104.5        | 99.5         | 99.0         | 95.5         | 97.5         | 97.5         | 98.5         | 103.0        | 102.0        |
| Community and economic development | 0.0                   | 0.0          | 8.0 (1)      | 8.0          | 8.0          | 10.0         | 10.0         | 10.0         | 5.0 (2)      | 5.0          |
| Public Works                       | 39.0                  | 39.0         | 40.0         | 40.0         | 41.5         | 40.5         | 40.5         | 40.5         | 41.0         | 41.0         |
| General government                 | 26.0                  | 26.5         | 18.5         | 18.5         | 18.5         | 16.5         | 16.5         | 16.5         | 22.0         | 22.0         |
| Recreation and culture             | 1.5                   | 1.5          | 1.5          | 1.5          | 9.0          | 8.0          | 8.0          | 8.0          | 8.0          | 6.0          |
| <b>Total</b>                       | <b>165.0</b>          | <b>171.5</b> | <b>167.5</b> | <b>167.0</b> | <b>172.5</b> | <b>172.5</b> | <b>172.5</b> | <b>173.5</b> | <b>179.0</b> | <b>176.0</b> |

Source: Saginaw Township Fiscal Services

(1) Building Inspections and Planning were moved from General Government to Community Development.

(2) Planning was moved from Community Development to General Government.

**SAGINAW CHARTER TOWNSHIP**  
**Principal Employers**  
**2008 and 1999**

Schedule 15  
Unaudited

| <u>Employer</u>                      | <u>2008</u>      |             |  | <u>1999</u>      |             |  |
|--------------------------------------|------------------|-------------|--|------------------|-------------|--|
|                                      | <u>Employees</u> | <u>Rank</u> | <u>Percentage of<br/>Total County<br/>Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of<br/>Total County<br/>Employment</u> |
| Saginaw Twp Community Schools        | 672              | 1           | n/a  | 503              | 3           | n/a  |
| Fashion Square Mall                  | 650              | 2           | n/a  | 550              | 8           | n/a  |
| Saginaw Intermediate School District | 575              | 3           | n/a  | 226              | 2           | n/a  |
| Consumers Energy                     | 450              | 4           | n/a  | 525              | 1           | n/a  |
| HealthSource Saginaw                 | 430              | 5           | n/a  | 461              | 4           | n/a  |
| Morley Companies                     | 250              | 6           | n/a  |                  |             | n/a  |
| Romano Sales Co, Inc.                | 250              | 7           | n/a  | 350              | 6           | n/a  |
| Saginaw Control & Engineering        | 233              | 8           | n/a  | 150              | 10          | n/a  |
| United Parcel Service                | 215              | 9           | n/a  | 215              | 9           | n/a  |
| Covenant Healthcare                  | 200              | 10          | n/a  |                  |             | n/a  |
| Michigan Bell Telephone              |                  | 0           | -  | 421              | 5           | n/a  |
| Blue Care Network                    |                  | 0           | -  | 275              | 7           | n/a  |
| Totals                               | <u>\$ 3,925</u>  |             | <u>0.00%</u>   | <u>\$ 3,676</u>  |             | <u>0.00%</u>   |

Source:  
Saginaw Future, Inc.  
Saginaw Township Clerk's Office

**SAGINAW CHARTER TOWNSHIP**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Schedule 16  
Unaudited

| Function   | For Fiscal Year Ended |             |             |             |             |             |             |             |             |             |
|--|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | <u>1999</u>           | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| Public safety  |                       |             |             |             |             |             |             |             |             |             |
| Police   |                       |             |             |             |             |             |             |             |             |             |
| Number of Traffic Accidents                                    | 1,487                 | 1,376       | 1,507       | 1,388       | 1,310       | 1,407       | 1,340       | 1,268       | 1,032       | 1,104       |
| Number of Traffic Offenses Issued                              | 6,275                 | 6,046       | 5,554       | 5,056       | 4,068       | 5,184       | 4,343       | 3,409       | 3,776       | 4,776       |
| Fire   |                       |             |             |             |             |             |             |             |             |             |
| Number of Alarms   | 601                   | 680         | 640         | 699         | 650         | 712         | 826         | 882         | 818         | 765         |
| Community Development  |                       |             |             |             |             |             |             |             |             |             |
| Permits Issued   | 548                   | 540         | 494         | 392         | 550         | 659         | 572         | 466         | 384         | 298         |
| Code Enforcement Complaints                                    | 87                    | 526         | 507         | 986         | 1,087       | 702         | 871         | 2,835       | 2,934       | 2,654       |
| General Government   |                       |             |             |             |             |             |             |             |             |             |
| Fiscal Services  |                       |             |             |             |             |             |             |             |             |             |
| Number of W-2's processed                                      | 456                   | 446         | 456         | 468         | 508         | 496         | 533         | 507         | 506         | 483         |
| Number of accounts payable checks processed                    | 4,491                 | 4,370       | 4,545       | 4,469       | 4,902       | 4,526       | 4,832       | 4,505       | 4,579       | 4,633       |
| Clerk's office   |                       |             |             |             |             |             |             |             |             |             |
| Number of licensed businesses                                  | n/a                   | n/a         | n/a         | n/a         | 1,208       | 1,687       | 1,829       | 1,747       | 1,768       | 1,752       |
| Elections  |                       |             |             |             |             |             |             |             |             |             |
| Number of Registered Voters                                    | 29,583                | 29,396      | 30,504      | 30,481      | 30,355      | 31,210      | 30,251      | 30,302      | 30,357      | 30,979      |
| Treasurer's Office   |                       |             |             |             |             |             |             |             |             |             |
| Average Number of sewer/water bills per month                  | 4,390                 | 4,419       | 4,467       | 4,522       | 4,574       | 4,644       | 4,714       | 4766        | 4,799       | 4,804       |
| Number of Tax Bills-Two billings/year                          | 14,392                | 14,755      | 14,912      | 14,683      | 15,199      | 15,314      | 15,603      | 15,748      | 15,957      | 15,904      |
| Recreation & Culture   |                       |             |             |             |             |             |             |             |             |             |
| Number of Programs   | n/a                   | n/a         | n/a         | 33          | 36          | 49          | 59          | 71          | 72          | 72          |
| Number of Participants   | n/a                   | n/a         | n/a         | 5,975       | 7,050       | 8,388       | 8,399       | 9,814       | 9,575       | 10,316      |
| Sewer  |                       |             |             |             |             |             |             |             |             |             |
| Average daily sewage treatment<br>-millions of gallons per day | 3.274                 | 3.841       | 4.3         | 4.284       | 3.84        | 4.07        | 4.276       | 4.363       | 4.956       | 4.222       |
| Water  |                       |             |             |             |             |             |             |             |             |             |
| Number of active customers                                     | n/a                   | n/a         | 15,410      | 15,524      | 15,755      | 16,144      | 14,260      | 14,428      | 14,516      | 14,490      |
| Number of gallons sold (000 omitted)                           | 1,611,602             | 1,484,795   | 1,432,219   | 1,520,630   | 1,491,589   | 1,503,013   | 1,501,051   | 1,568,534   | 1,472,038   | 1,517,900   |

**SAGINAW CHARTER TOWNSHIP**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Schedule 17  
Unaudited

|                        | For Fiscal Year Ended |             |             |             |             |             |             |             |             |             |
|------------------------|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                        | <u>1999</u>           | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| <b>Function</b>        |                       |             |             |             |             |             |             |             |             |             |
| Public safety          |                       |             |             |             |             |             |             |             |             |             |
| Police                 |                       |             |             |             |             |             |             |             |             |             |
| Station                | 1                     | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Patrol Vehicles        | 15                    | 15          | 16          | 16          | 16          | 16          | 18          | 18          | 18          | 19          |
| Fire                   |                       |             |             |             |             |             |             |             |             |             |
| Admin. Office/Stations | 1/3                   | 1/3         | 1/3         | 1/3         | 1/3         | 1/3         | 1/3         | 1/3         | 1/3         | 1/3         |
| Fire fighting Vehicles | 13                    | 13          | 13          | 13          | 14          | 14          | 14          | 13          | 12          | 12          |
| Recreation and culture |                       |             |             |             |             |             |             |             |             |             |
| Parks                  | 13                    | 13          | 13          | 13          | 13          | 13          | 13          | 13          | 13          | 13          |
| Recreation Center      | -                     | -           | -           | -           | 1           | 1           | 1           | 1           | 1           | 1           |
| Library                | 1                     | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |



# REHMANN ROBSON

*Certified Public Accountants*

A member of THE REHMANN GROUP

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August 26, 2008

To the Township Board  
Saginaw Charter Township

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *Saginaw Charter Township* (the "Township") for the year ended March 31, 2008, and have issued our report thereon dated August 26, 2008. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility Under Auditing Standards Generally Accepted in the United States of America**

As stated in our engagement letter dated June 25, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is



a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of vacation banks.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.

We evaluated the key factors assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

#### *Difficulties Encountered in Performing the Audit*

We encountered no difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

To the Township Board  
Saginaw Charter Township  
August 26, 2008  
Page 3

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 26, 2008.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the governing body and management of the *Saginaw Charter Township* and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lehmann Lohman". The signature is written in a cursive, flowing style.

**Saginaw Charter Township**  
**Comments and Recommendations**  
**For the Year Ended March 31, 2008**

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In planning and performing our audit of the financial statements of Saginaw Charter Township as of and for the year ended March 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report August 26, 2008, on the financial statements of Saginaw Charter Township.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

**Other Matters**

1. During our audit procedures related to internal controls over information technology, we determined that computer passwords are not changed on a regular basis. In order to reduce the risk of access to computer files by unauthorized personnel, we recommend that the Township institute a policy that requires passwords to be changed on a regular basis. For the size and complexity of Saginaw Township, once every six months would be adequate. The Township may also wish to investigate building into its software automatic expiration of passwords to ensure that they are changed periodically.

Also, when users vacate the work areas for any length of time they should be locking their workstations. Windows provides an effective workstation security system that can be invoked with one set of keystrokes. Locking a personal workstation is a basic control that limits access to accounting records by unauthorized individuals. We recommend that Saginaw Township require all PC users to lock their workstations when they are unattended.

2. During our audit procedures related to cash, we observed various wire transfers and ACH transfers between the Township's bank accounts and transfers to pay certain obligations of the Township. We did not observe any documentation that two or more individuals were involved in the transfer process or any approval of the transfers by an authorized individual.

**Saginaw Charter Township**  
**Comments and Recommendations**  
**For the Year Ended March 31, 2008**

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The Township Board should implement a wire transfer/ACH transfer policy that requires two or more individuals involved in all transfers of the Township bank accounts. This should include the individual processing the transfer and an authorized individual approving the transfer. This process should be documented on forms set forth in the policy with the signatures of both the individual processing the transfer and the individual approving the transfer.

**3.** During our audit procedures related to the utility billing process, we observed various adjustments to customer accounts. These adjustments were not approved or reviewed by any individual other than the individual recording the adjustments.

We recommend that the Township Board require that adjustments to customer accounts and all other billing adjustments are reviewed by an individual other than the individual recording the adjustments. We also recommend that this review is documented by the reviewer signing the document reviewed for the adjustments.

The concerns raised in the advisory comments and recommendations are currently being addressed by the Township Manager and the affected departments.

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